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Final Exhibits COGCC Enforcement

Part A

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BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF)	CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE COLORADO)	
OIL AND GAS CONSERVATION COMMISSION BY)	DOCKET NO. 1303-OV-06
BENCHMARK ENERGY LLC, LOGAN COUNTY,)	ORDER NO. IV-408
COLORADO)	

ADMINISTRATIVE ORDER BY CONSENT

(Pursuant to Rule 522.b.(3) of the Rules and Regulations of the
Colorado Oil and Gas Conservation Commission, 2 CCR 404-1)

FINDINGS

Well Descriptions

1. Benchmark Energy LLC (“Benchmark”) (Operator No. 10380) operates the wells identified in Table 1 (“Wells”) in Logan County.

TABLE 1.

Well	History
Mt. Hope Unit # 49	Mount Hope Unit # 49 (API No. 05-075-06343), located in the NW¼ SW¼ of Section 30, Township 9 North, Range 53 West, 6 th P.M., was spud on August 8, 1951. The last approved mechanical integrity test (“MIT”) was on August 19, 2005.
Mt. Hope Green # 43	Mount Hope Green # 43 (API No. 05-075-06314), located in the SW¼ NE¼ of Section 30, Township 9 North, Range 53 West, 6 th P.M., was spud on October 4, 1952. The last approved MIT was on August 19, 2005.
Logan J Sand # 4-25	Logan J Sand Unit # 4-25 (API No. 05-075-05995), located in SW¼ SE¼ of Section 1, Township 8 North, Range 54 West, 6 th P.M., was spud on August 16, 1953. The last approved MIT was on July 27, 2012.
Logan J Sand # 4-18	Logan J Sand Unit # 4-18 (API No. 05-075-06087), located in Lot 10 NE¼ of Section 1, Township 8 North, Range 54 West, 6 th P.M., was spud on September 27, 1953. The last approved MIT was on July 27, 2012.
NW Graylin D Sand Unit # 14	NW Grayling D Sand Unit # 14 (API No. 05-075-06158), located in Lot 5 NE¼ of Section 6, Township 8 North, Range 53 West, 6 th P.M., was spud on January 29, 1955. The last approved MIT was on August 27, 2007.

Alleged Violation Citations

2. COGCC Staff reviewed records for these sites and discovered alleged Rule violations. The dates of citation, Notice of Alleged Violation (“NOAV”) numbers, and alleged Rule violations cited are identified in Table 2.

TABLE 2.

Well	NOAV Date	NOAV #	Alleged Rule Violations			
			309	319.b	326.b.(1)	326.d
Mt. Hope Unit # 49	7/11/2012	200356011	x	x	x	
Mt. Hope Green #43	7/11/2012	200356010	x	x	x	
Logan J Sand # 4-25	7/11/2012	200356008	x	x	x	
Logan J Sand # 4-18	7/11/2012	200356009	x	x	x	
NW Graylin D Sand # 14	8/16/2012	200360597				x

Cited Rules Summary

3. Violations cited in Table 2 are explained as follows:

a. Rule 309 (Form 7 Report) requires operators to submit a Form 7- Operator's Monthly Report of Operations ("Production Report") within 45 days after the month in which production occurs. The Rule further requires Production Reports from the spud date to one month after plugging and abandonment.

b. Rule 319.b. (Temporarily Abandonment) requires operators to file a Sundry Notice requesting Continued Temporarily Abandoned status for wells Temporarily Abandoned longer than six months. The Rule further requires that wells which have ceased production or are incapable of production or injection be abandoned within six months thereafter unless the time is extended by the Director upon application by the owner. Wells incapable of production due to lack of production facilities, downhole plugs, or other mechanical problems are considered to be Temporarily Abandoned.

c. Rule 326.b.(1) (Mechanical Integrity Testing - Shut-in Wells) requires idle wells pass a mechanical integrity test (MIT) within two years of being Shut-In or within 30 days of being Temporarily Abandoned. Subsequent MITs are required at five year intervals from the date of an initial MIT. Idle wells include wells where gas and/or oil are produced but there are no associated sales as well as wells with no produced volumes at all.

d. Rule 326.d (Mechanical Integrity) requires all wells to maintain mechanical integrity. Those wells that lack mechanical integrity shall be repaired or plugged and abandoned within six months of failing an MIT, and the well shall be reclaimed in accordance with Rule 1004.a.

Calculation of Fines

4. Rule 523 (Procedure for Assessing Fines) specifies a base fine of \$1,000 for each day of violation of Rules 309, 319, and 326. Rule 523.a.(3) specifies that the maximum penalty for any single violation shall not exceed \$10,000 regardless of the number of days of such violation, unless the violation results in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety or welfare or the environment. Staff does not allege any of these three factors in this case.

5. Rule 523.d. specifies that a fine may be decreased by application of mitigating factors. Applicable mitigating factors include:

a. Rule 523.d.(2), the violator demonstrated prompt, effective and prudent response to the violation, including assistance to any impacted parties.

b. Rule 523.d.(3), the violator cooperated with the Commission, or other agencies with respect to the violation.

c. Rule 523.d.(6), the cost of correcting the violation reduced or eliminated any economic benefit to the violator.

6. Benchmark has since performed all necessary MIT's and has filed the required Form 7's (Operator's Monthly Report of Operations). All three of the mitigating factors identified in the previous paragraph apply in this case.

7. Benchmark and Staff agree to resolve the NOAV's described above with the imposition of a fine of \$15,000, payable within 30 days of the time this AOC is approved by the Commission.

8. Benchmark agrees to the findings of this AOC only for the purpose of expeditiously resolving the matter without a contested hearing. Pursuant to Rule 522.b.(3), entering into this AOC by Benchmark shall not be construed as an admission of the alleged violations. Benchmark fully reserves its right to contest the same in any future action or proceeding other than a proceeding to enforce this AOC.

ORDER

NOW, THEREFORE, IT IS ORDERED, that:

1. Benchmark Energy LLC shall be found in violation of Rule 326, for failure to properly and timely conduct mechanical integrity tests of the below-listed wells:

Well	API #
Mt. Hope Unit # 49	05-075-06343
Mt. Hope- Green #43	05-075-06314
Logan J Sand #4-25	05-075-05995
Logan J Sand #4-18	05-075-06087
NW Graylin D Sand Unit #14	05-075-06158

2. Benchmark Energy LLC shall be assessed a total fine of \$15,000 for the Rule violations set forth above. The fine shall be paid not later than 30 days after this Order is approved by the Commission.

3. The Commission considers this order to be final agency action for purposes of judicial review 30 days after the date this order is mailed by the Commission.

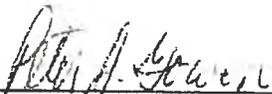
4. An application for reconsideration by the Commission of this order is not required prior to the filing for judicial review.

5. The provisions contained in the above order shall become effective immediately.

6. The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above orders.

RECOMMENDED this 8th day of March, 2013

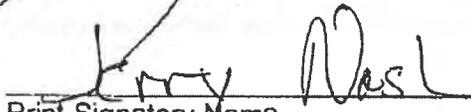
OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Peter J. Gowen, Enforcement Officer

AGREED TO AND ACCEPTED this 19th day of APRIL ~~March~~, 2013.

BENCHMARK ENERGY LLC

By: 
Signature of Authorized Benchmark Energy LLC Representative

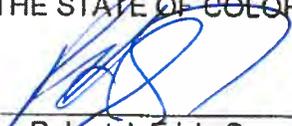

Print Signatory Name

MANAGING MEMBER
Title of Signatory

This Administrative Order by Consent was heard and approved by the Commission on the 6th day of May, 2013.

ENTERED this 7th day of May 2013, as of the 6th day of May, 2013.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Robert J. Frick, Secretary

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF THE) CAUSE NO. 1V
RULES AND REGULATIONS OF THE COLORADO OIL)
AND GAS CONSERVATION COMMISSION BY) ORDER NO. 1V-421
BENCHMARK ENERGY LLC, LOGAN COUNTY,) DOCKET NO. 1307-OV-19
COLORADO)

ADMINISTRATIVE ORDER BY CONSENT

(Pursuant to Rule 522.b.(3) of the Rules and Regulations of the
Colorado Oil and Gas Conservation Commission, 2 CCR 404-1)

FINDINGS

1. Benchmark Energy LLC ("Benchmark") operates the Logan J Sand Unit #4-19 Well (API # 05-075-06043) located on the below-described land in Logan County:

Township 8 North, Range 54 West, 6th P.M.
Section 1: NE¼ SE¼

2. On October 13, 2011, the Commission Staff performed an inspection at the Benchmark Logan J Sand Unit #4-19 Well ("Site") (document #200327588) to evaluate compliance with a Form 27 (Remediation Project #5656) for a produced water pit closure. The inspection revealed unsatisfactory conditions. Pit reclamation had not been performed as required by Rule 1004.

3. On October 30, 2012, COGCC Staff performed a follow-up inspection of the Site (document #667500062). The inspection revealed that the pit reclamation still had not been performed and stormwater measures were not in place to protect the area requiring reclamation. Other issues raised by previous inspections had been adequately addressed.

4. On March 14, 2013, Commission Staff issued a Notice of Alleged Violation ("NOAV") (No. 200376569). The NOAV cited violation of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules").

a. Rule 1004. (Final Reclamation Threshold for Release of Financial Assurance)

5. Benchmark has now completed required reclamation actions at the site, pending re-establishment of permanent groundcover.

6. Following a factual investigation and legal review of the violations alleged in the NOAV, the Hearings Staff now asserts Benchmark has committed the following violation:

a. One violation of Rule 1004. because Benchmark did not satisfactorily perform final reclamation of the well site as required by the NOAV, and did not keep the reclaimed area clear of noxious weeds.

7. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Hearings staff calculated a penalty of \$10,000 for this violation. Staff does not recommend any adjustments based on aggravating or mitigating factors.

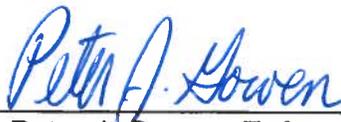
AGREEMENT

NOW, THEREFORE, based on the Findings and pursuant to Rule 522.b.(3) and the Commission's Enforcement and Penalty Policy, the Director proposes and Benchmark agrees to settle the NOAV on the following terms and conditions:

- I. Benchmark will be assessed a penalty of \$10,000.
- II. Benchmark will pay \$10,000 within 30 days after this AOC is mailed by the Commission.
- III. Benchmark will maintain stormwater controls until the Site passes final inspection for the pit reclamation.
- IV. Benchmark will provide continuous noxious weed control until such time final reclamation standards have been attained.
- V. Payment of the penalty pursuant to this AOC does not relieve Benchmark from its obligations to complete corrective actions set forth in the NOAV, as may be amended or modified by COGCC Staff.
- VI. Benchmark agrees to the findings of this AOC only for the purpose of expeditiously resolving the matter without a contested hearing.

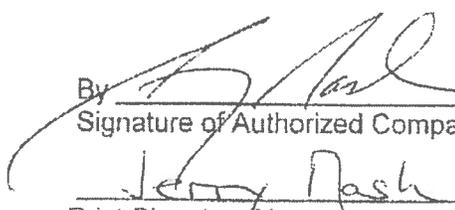
RECOMMENDED this 27th day of August, 2013.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Peter J. Gowen, Enforcement Officer

AGREED TO AND ACCEPTED this 30th day of August, 2013.

BENCHMARK ENERGY LLC

By 
Signature of Authorized Company Representative

Jerry Nash
Print Signatory Name

Managing Member
Title

ORDER

HAVING CONSIDERED the Agreement between the Director and Benchmark to resolve the NOAV, the COMMISSION ORDERS:

1. Benchmark is found in violation of Rule 1004, as described above.
2. Benchmark will be assessed a total penalty of \$10,000 for the rule violation described above.
3. Benchmark will pay the \$10,000 penalty within 30 days after this AOC is mailed by the Commission.
4. Benchmark will maintain stormwater controls until the Site passes final inspection for the pit reclamation.
5. Benchmark will provide continuous noxious weed control until such time final reclamation standards have been attained.
6. This AOC does not relieve Benchmark from undertaking and completing abatement or corrective actions that may be required by the Notice of Alleged Violation described in Finding No. 4, above, or any amendments or modifications thereto specified by the COGCC Staff.
7. Entry of this Order constitutes final agency action for purposes of judicial review 30 days after the date this order is mailed by the Commission.
8. The provisions contained in the above order are effective on the date this matter is heard and approved by the Commission.
9. The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above orders.

=====

The Commission heard and approved this matter on the 16th day of September, 2013.

ENTERED this 18th day of November, 2013 as of the 16th day of September, 2013.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By  _____
Robert J. Frick, Secretary

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF) CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION) DOCKET NO. 150300138
COMMISSION BY **BENCHMARK ENERGY LLC,**) TYPE: ENFORCEMENT
LOGAN COUNTY, COLORADO) ORDER NO. 1V-496

ADMINISTRATIVE ORDER BY CONSENT

(Pursuant to Rule 522.b.(3) of the Rules and Regulations of the
Colorado Oil and Gas Conservation Commission, 2 CCR 404-1)

FINDINGS

1. Benchmark Energy LLC ("Benchmark") (Operator No. 10380) is the operator of the Sec 1 8N54W Tank Battery Facility ("Facility") (Facility No. 437485) in Logan County.

2. On June 4, 2014, a spill due to an injection pump failure was discovered by Benchmark (Spill/Release Report #2, Doc. No. 400634998). According to the corrected Spill/Release Report, Form 19, filed on July 2, 2014, between 5 and 100 barrels of oil were released. Benchmark did not verbally notify the local government, surface owner, or COGCC within 24 hours of the spill's discovery, as required by Rule 906.b.

3. On June 6, 2014, COGCC staff discovered the spill, which was both inside and outside of containment, during an inspection of the Facility (Doc. No. 667200124). The inspection report noted that the spill outside of containment was approximately 300 feet in length and varying in width from approximately 2 feet to 15 feet. The spill pathway extended across the lease road into an adjacent pasture. Wildlife tracks were also observed in the oily waste (Photo. No. 667200127). Due to the operator's delayed response in controlling the spill, it resulted in a significantly larger impacted area.

4. On June 9, 2014, Benchmark verbally notified the local government, COGCC, and the surface owner of the spill (Spill/Release Report #2, Doc. No. 400634998).

5. On June 9, 2014, Benchmark filed a Form 19 (Spill/Release Report #1, Doc. No. 670600319) with the COGCC that had incorrect information, including that the report stated that only produced water had been spilled while COGCC inspectors observed spilled oil. A corrected Form 19 was filed on July 2, 2014 (Spill/Release Report #2, Doc. No. 400634998).

6. On June 18, 2014, COGCC staff inspected the Facility and noted the discrepancies between the submitted Form 19 and observations in the field (Doc. No.

storage on plastic liners. The Inspection Report required the operator to submit a Form 27 by June 27, 2014. Staff also observed that E&P waste had been transported from the site and requested disposal documentation. Rule 907.b.(2) requires E&P transportation records to be maintained and made available for COGCC inspection.

7. On July 23, 2014, COGCC staff inspected the Facility (Doc. No. 667200244) and observed that none of the required corrective actions from the previous inspection reports had been completed.

8. On August 1, 2014, COGCC staff issued Notice of Alleged Violation ("NOAV") No. 200409785 to Benchmark for violations at the Facility of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules"):

- a. Rule 906.a. (Spills and Releases, General) for failing to control and contain the spill immediately upon discovery;
- b. Rule 906.b.(1)A (Spill/Release Reporting, Verbal Report) for failing to verbally report a release both inside and outside of containment to COGCC, the local government, or the surface owner;
- c. Rule 906.b. (Spill/Release Reporting, Written Report) for filing a Spill/Release Report, Form 19, more than 72 hours after discovery of the spill; and
- d. Rule 907.b. (Waste Transportation) for failing to maintain and provide records for E&P waste transported off the Facility in June 2014.

9. On August 14, 2014, Benchmark submitted a Form 27, Site Investigation and Remediation Workplan, for the Facility to the COGCC. On September 22, 2014, the Form 27 was approved with several conditions of approval, which are included as required corrective actions in this AOC. This conditionally approved Form 27 gave Benchmark until October 31, 2014 to complete the corrective actions.

10. On October 28, 2014, Benchmark requested an extension to complete the corrective actions set forth in the approved Form 27. This extension was granted and Benchmark was given a new deadline of November 30, 2014. Staff attempted to contact Benchmark shortly after the deadline and received no response.

11. On February 17, 2015, Benchmark submitted an invoice for a disposal that occurred at Logan County Landfill on June 17, 2014. This invoice did not identify the waste transporter, the location of the waste pickup, or that the waste was E&P waste.

12. Following a factual investigation and legal review of the violations alleged in the NOAVs referenced above, COGCC Staff now asserts Benchmark has committed the following violations:

Rule Violation	Penalty Act and Class/Impact	Base Penalty	Start Date	End Date	Days of Violation	Penalty per Violation
906.a.	Old	\$1,000	6/4/2014	6/18/2014	10, Statutory Maximum	\$10,000
906.b.(1)A (Verbal Reporting)	Old	\$1,000	6/5/2014	6/9/2014	4	\$4,000
906.b. (Written Reporting)	New Class 2/Minor	\$2,500	6/7/2014	6/9/2014	2	\$5,000
907.b.	New Class 1/Minor	\$500	6/18/2014	2/17/2015	244, Duration Matrix applied	\$9,400
TOTAL PENALTY						\$28,400

13. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Hearings Staff calculated a penalty of \$28,400 for these violations. The penalty calculation is based on the following:

- a. Under the COGCC Enforcement and Penalty Policy, Rule 907.b. is classified as a Class 2 violation. However, subpart (2) of this Rule is a paperwork violation – the failure to keep and provide records. Therefore, the Director chose to exercise his discretion to reclassify subparts and classified this violation as a Class 1. In addition, to ensure the penalty was still appropriate for the nature of the violation, the per day penalty was assigned as \$500 under the proposed Rule 523, instead of the \$200 for Class 1, minor violations in the Rules adopted by the Commission that became effective on March 3, 2015 (after this matter was noticed for hearing).
- b. The Rule 906.a. and 906.b. violations began before the effective date of HB 14-1356 (June 6, 2014). The Rule 906.a. violation began on June 4, 2014 – the date the spill was discovered by Benchmark and the operator failed to contain the spill. The Rule 906.b. violation for failure to report the spill within 24 hours began on June 5, 2014 – the day after the spill was discovered. The penalty for these violations was calculated pursuant to the version of Rule 523 in effect at the time of the violation.
- c. The Rule 906.b. and 907.b. violations occurred after the effective date of HB 14-1356. The Rule 906.b. violation for failing to file a Form 19 began on June 7, 2014 (72 hours after the spill was discovered) and ended on June 9, 2014, when the Form 19 was filed. The violation for not

providing the waste disposal documentation began on June 18, 2014 when the documentation was requested by Staff and ended on the date that the operator began good faith negotiations with Staff regarding returning to compliance. The penalty for these alleged violations was calculated pursuant to HB 14-1356, with reference to the revised Rule 523 as guidance.

- d. No aggravating or mitigating factors; and
- e. No pattern of violation or gross negligence or knowing & willful misconduct.

14. In determining whether to allow a payment plan in this case, the Commission considered documentation submitted by Benchmark demonstrating financial hardship. This documentation showed that Benchmark's total current liabilities exceeded its current assets by over \$120,000 as of September 30, 2014. This shows a company with short-term liquidity problems. In addition, the operator's net income continued to decline from -\$53,259 in 2013 to -\$72,813 in 2014, which represents a 36.7% decline.

AGREEMENT

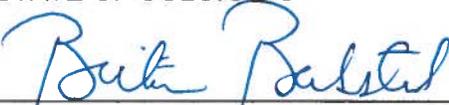
NOW, THEREFORE, based on the Findings and pursuant to Rule 522.b.(3) and the Commission's Enforcement and Penalty Policy, the Director proposes and Benchmark agrees to settle the NOAV on the following terms and conditions:

- I. Benchmark is in violation of Rules 906.a., 906.b.(1)A, 906.b., and 907.b. as described above.
- II. Benchmark will be assessed a penalty of \$28,400. This penalty will be due in quarterly payments of \$3,550 over eight quarters from the date this AOC is approved by the Commission under the following payment schedule:
 - a. \$3,550 is due on June 30, 2015.
 - b. \$3,550 is due on September 30, 2015.
 - c. \$3,550 is due on December 31, 2015.
 - d. \$3,550 is due on March 31, 2016.
 - e. \$3,550 is due on June 30, 2016.
 - f. \$3,550 is due on September 30, 2016;
 - g. \$3,550 is due on December 30, 2016; and
 - h. \$3,550 is due on March 27, 2017.
- III. If Benchmark fails to make a payment, the entire remaining penalty (\$28,400 less any payments already made) will be due within 30 days of notification from the Director and without any further action from the Commission. Failure to pay the penalty by the deadline is an independent violation that may be subject to additional penalties.

- IV. Payment of the penalty pursuant to this AOC does not relieve the operator from its obligations to complete corrective actions set forth in the NOAVs, as may be amended or modified by COGCC Staff.
- V. Benchmark will complete the following corrective actions within 30 days of the approval of this AOC:
 - a. Based on the soil sample results submitted on January 19, 2015, additional excavation, soil disposal, and soil sampling is still required. Provide GPS coordinates and soil sample location diagrams for the soil samples from the reports submitted on January 19, 2015 and any future samples.
 - b. Provide a summary table of the analytical results submitted on January 19, 2015 compared to Table 910-1 standards.
 - c. Provide a status of the backfill of excavated areas. COGCC approval was required prior to backfilling.
 - d. Document that the tank battery and secondary containment were rebuilt in accordance with Rule 906.d.(1) and the 600-Series Rules.

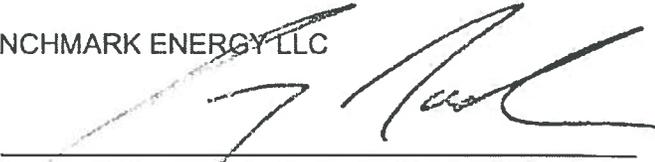
RECOMMENDED this 2nd day of April, 2015.

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By 
Britta Beckstead, Assistant Attorney General

AGREED TO AND ACCEPTED this 2nd day of April, 2015.

BENCHMARK ENERGY LLC

By 
Signature of Authorized Company Representative

Jerry Nash
Print Signatory Name

Managing Member
Title

ORDER

HAVING CONSIDERED the Agreement between the Director and Benchmark to resolve the NOAV, the COMMISSION ORDERS:

1. Benchmark is found in violation of Rules 906.a., 906.b.(1)A, 906.b., and 907.b. as described above.
2. Benchmark is assessed a penalty of \$28,400. This penalty is due in quarterly payments of \$3,550 over five quarters from the date this AOC is approved by the Commission under the following payment schedule:
 - a. \$3,550 is due on June 30, 2015.
 - b. \$3,550 is due on September 30, 2015.
 - c. \$3,550 is due on December 31, 2015.
 - d. \$3,550 is due on March 31, 2016.
 - e. \$3,550 is due on June 30, 2016.
 - f. \$3,550 is due on September 30, 2016;
 - g. \$3,550 is due on December 30, 2016; and
 - h. \$3,550 is due on March 27, 2017.
3. If Benchmark fails to make a payment, the entire remaining penalty (\$28,400 less any payments already made) will be due within 30 days of notification from the Director and without any further action from the Commission. Failure to pay the penalty by the deadline is an independent violation that may be subject to additional penalties.
4. Payment of the penalty pursuant to this AOC does not relieve the operator from its obligations to complete corrective actions set forth in the NOAVs, as may be amended or modified by COGCC Staff.
5. Benchmark will complete the following corrective actions within 30 days of the approval of this AOC:
 - a. Based on the soil sample results submitted on January 19, 2015, additional excavation, soil disposal, and soil sampling is still required. Provide GPS coordinates and soil sample location diagrams for the soil samples from the reports submitted on January 19, 2015 and any future samples.
 - b. Provide a summary table of the analytical results submitted on January 19, 2015 compared to Table 910-1 standards.
 - c. Provide a status of the backfill of excavated areas. COGCC approval was required prior to backfilling.

- d. Document that the tank battery and secondary containment were rebuilt in accordance with Rule 906.d.(1) and the 600-Series Rules.
6. This AOC does not relieve Benchmark from undertaking and completing additional abatement or corrective actions as required by COGCC Staff.
 7. Compliance dates specified in this Order may be extended only for good cause, as determined at the Director's sole discretion. A request for extension must be made, in writing, at least 14 days prior to the pertinent compliance deadline. Failure to receive an extension prior to the compliance deadline or the failure to meet a compliance deadline may constitute a new violation subject to additional daily penalties.
 8. Entry of this Order constitutes final agency action for purposes of judicial review 30 days after the date this order is mailed by the Commission.
 9. The provisions contained in the above order are effective on the date this matter is heard and approved by the Commission.
 10. The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above orders.

ENTERED this 22 day of April, 2015 as of the 13 day of April, 2015.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By  _____
Julie Murphy, Secretary

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS OF) CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION) ORDER NO. 1V-501
COMMISSION BY **BENCHMARK ENERGY LLC,**) DOCKET NO. 150500190
LOGAN COUNTY, COLORADO) TYPE: ENFORCEMENT

ADMINISTRATIVE ORDER BY CONSENT

(Pursuant to Rule 522.e.(1) of the Rules and Regulations of the
Colorado Oil and Gas Conservation Commission, 2 CCR 404-1)

FINDINGS

Benchmark Energy LLC ("Benchmark") (Operator No. 10380) is the operator of the following Wells in Logan County: Logan J Sand Unit 2-5 Well (API No. 05-075-06004), Mount Hope-Green 4 Well (API No. 05-075-06464), Mount Hope Unit 49 Well (API No. 05-075-06343), NW Graylin D Sand Unit 8 Well (API No. 05-075-06002), NW Graylin D Sand Unit 9 Well (API No. 05-075-06016), and NW Graylin D Sand Unit 12 Well (API No. 05-075-06129) ("Wells"). Staff observed violations at these Wells in July 2014. Follow-up inspections in November 2014 confirmed that the corrective actions had not been performed.

A. Logan J Sand Unit 2-5 Well

1. On July 23, 2014, COGCC Staff inspected the Logan J Sand Unit 2-5 Well (Doc. No. 668602889). Staff observed that there was no sign at the tank battery; unused inoperable equipment, debris, and weeds on the site; and deteriorated and inadequate secondary containment around the tank battery. A Violation Inspection Report was issued, requiring the operator to correct these violations by August 11, 2014.

2. On November 10, 2014, COGCC Staff inspected the well again and observed that these violations had not been corrected (Doc. No. 667200728).

3. On January 15, 2015, COGCC staff issued Notice of Alleged Violation ("NOAV") No. 200421709 to Benchmark for violations of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule" or "Rules"):

- a. Rule 210 (Signs & Markers) for the failure to install a sign at the tank battery at the Logan J Sand Unit 2-5 Well;
- b. Rule 603.f. (Equipment, Weeds, Waste, & Trash) for the failure to keep the Logan J Sand Unit 2-5 Well free of unused equipment, debris, and weeds; and

- c. Rule 605.a.(4) (Berms) for the failure to maintain the berms in good condition and ensure that they are sufficiently impervious to contain any spilled or released material at the Logan J Sand Unit 2-5 Well.

B. Mount Hope-Green 4 Well

4. On July 31, 2014, COGCC Staff inspected the Mount Hope-Green 4 Well (Doc. No. 667200302). Staff observed a downed electric supply pole, cement pad, and debris on location. A Violation Inspection Report was issued to the operator, requiring these violations be corrected by August 11, 2014.

5. On November 10, 2014, COGCC Staff inspected the Well again and observed that the downed electric supply pole, cement pad, and debris had not been removed (Doc. No. 668603206).

6. On January 15, 2015, COGCC Staff issued NOAV No. 200421712 to Benchmark for violations of Rule 603.f. (Equipment, Weeds, Waste, & Trash) for the failure to keep the Mount Hope-Green 4 Well free of unused equipment, debris, and weeds.

C. Mount Hope Unit 49 Well

7. On July 29, 2014, COGCC Staff inspected the Mount Hope Unit 49 Well (Doc. No. 668602948). Staff observed unmarked guy line anchors and a cement pile, timbers, broken cement pad, and other debris on the location. A Violation Inspection Report was issued to the operator, requiring these violations to be corrected by August 11, 2014.

8. On November 17, 2014, COGCC Staff inspected the well again and observed that these violations had not been corrected (Doc. No. 667200655).

9. On January 15, 2015, COGCC staff issued NOAV No. 200421713 to Benchmark for violations of the following Rules:

- a. Rule 603.f. (Equipment, Weeds, Waste, & Trash) for the failure to keep the Mount Hope Unit 49 Well free of unused equipment, debris, and weeds; and
- b. Rule 1003.a. (Interim Reclamation, General – Guy Line Marking) for the failure to mark all guy line anchors at the Mount Hope Unit 49 Well.

D. NW Graylin D Sand Unit 8 Well

10. On July 29, 2014, COGCC Staff inspected the NW Graylin D Sand Unit 8 Well (Doc. No. 668602886). Staff observed no well sign or tank labelling at the battery; unused inoperable equipment, weeds, and debris on the location; unmarked guy line anchors; and deteriorated and inadequate secondary containment around the tank

battery. A Violation Inspection Report was issued to the operator, requiring these violations to be corrected by August 11, 2014.

11. On November 18, 2014, COGCC Staff inspected the well again and observed that these violations had not been corrected (Doc. No. 667200663).

12. On January 15, 2015, COGCC staff issued NOAV No. 200421714 to Benchmark for violations of the following Rules:

- a. Rule 210 (Signs & Markers) for the failure to properly mark wells, batteries, or tanks at the NW Graylin D Sand Unit 8 Well;
- b. Rule 603.f. (Equipment, Weeds, Waste, & Trash) for the failure to keep the NW Graylin D Sand Unit 8 Well free of unused equipment, debris, and weeds; and
- c. Rule 605.a.(4) (Berms) for the failure to maintain the berms in good condition and ensure that they are sufficiently impervious to contain any spilled or released material at the NW Graylin D Sand Unit 8 Well; and
- d. Rule 1003.a. (Interim Reclamation, General) for the failure to mark all guy line anchors at the NW Graylin D Sand Unit 8 Wells.

E. NW Graylin D Sand Unit 9 Well

13. On July 23, 2014, COGCC Staff inspected the NW Graylin D Sand Unit 9 Well (Doc. No. 668602887). Staff observed an access road covered with weeds, as well as unused inoperable equipment and cement slab debris on the location. A Violation Inspection Report was issued to the operator, requiring these violations to be corrected by August 11, 2014.

14. On November 18, 2014, COGCC Staff inspected the Well again and observed that these violations had not been corrected (Doc. No. 667200664).

15. On January 15, 2015, COGCC staff issued NOAV No. 200421715 to Benchmark for a violation of Rule 603.f. (Equipment, Weeds, Waste, & Trash) for the failure to keep the NW Graylin D Sand Unit 9 Well free of unused equipment, debris, and weeds.

F. NW Graylin D Sand Unit 12 Well

16. On July 23, 2014, COGCC Staff inspected the NW Graylin D Sand Unit 12 Well (Doc. No. 668602884). Staff observed incomplete tank labelling; unused inoperable equipment, weeds, and debris on the location; oil leaking from holes in the heater-treater and underground dump line; and chemical barrels without Best Management Practices to prevent site degradation from potential spills/releases. A

Violation Inspection Report was issued to the operator, requiring these violations to be corrected by August 11, 2014.

17. On November 18, 2014, COGCC Staff inspected the Well again and observed that these violations had not been corrected (Doc. No. 667200665).

18. On January 15, 2015, COGCC staff issued NOAV No. 200421716 to Benchmark for violations of the following Rules:

- a. Rule 210 (Signs & Markers) for failure to properly mark tanks at the NW Graylin D Sand Unit 12 Well;
- b. Rule 603.f. (Equipment, Weeds, Waste, & Trash) for the failure to keep the NW Graylin D Sand Unit 12 Well free of unused equipment, debris, and weeds;
- c. Rule 605.d. (Mechanical Conditions – Leaking Equipment) for failure to maintain the heater-treater and the buried dump line in good mechanical condition at the NW Graylin D Sand Unit 12 Well; and
- d. Rule 1002.f. (Stormwater Management) for the failure to implement or maintain stormwater BMPs around chemical barrels in order to prevent site degradation from potential spills/releases at the NW Graylin D Sand 12 Unit Well.

19. On January 22, 2015, Benchmark began good faith settlement negotiations with Staff regarding the alleged violations described above.

TOTAL VIOLATIONS AND PENALTY CALCULATION

20. Following a factual investigation and legal review of the violations alleged in the NOAVs referenced above, COGCC staff now asserts Benchmark has committed the following violations:

NOAV	Well	Rule	Class, Impact	Base Penalty	Days	Raw Penalty	Duration Matrix
200421709	Logan J Sand Unit 2-5	210	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421709	Logan J Sand Unit 2-5	603.f.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421709	Logan J Sand Unit 2-5	605.a.(4)	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421712	Mount Hope-Green 4	603.f.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421713	Mount Hope Unit 49	603.f.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421713	Mount Hope Unit 49	1003.a.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550

200421714	NW Graylin D Sand Unit 8	210	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421714	NW Graylin D Sand Unit 8	603.f.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421714	NW Graylin D Sand Unit 8	605.a.(4)	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421714	NW Graylin D Sand Unit 8	1003.a.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421715	NW Graylin D Sand Unit 9	603.f.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421716	NW Graylin D Sand Unit 12	210	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421716	NW Graylin D Sand Unit 12	603.f.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421716	NW Graylin D Sand Unit 12	605.d.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
200421716	NW Graylin D Sand Unit 12	1002.f.	Class 2, Minor	\$2,500	183	\$457,500	\$51,550
TOTAL PENALTY							\$773,250

21. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Hearings Staff calculated a penalty of \$773,250 for these violations. The penalty calculation for the violations is also attached to this AOC. The penalty calculation is based on the following:

- a. These violations began on the date of the inspections when the violations were first observed by Staff (July 23, 2014) and continued until Benchmark began good faith settlement negotiations with Staff (January 22, 2015);
- b. These violations occurred after the effective date of HB 14-1356 (June 6, 2014). The penalty for these alleged violations is calculated pursuant to HB 14-1356, with reference to the revised Rule 523 as guidance;
- c. No aggravating or mitigating factors; and
- d. No pattern of violations or gross negligence or knowing & willful misconduct.

22. In determining whether to allow a suspended penalty in this case, the Commission considered documentation submitted by Benchmark demonstrating financial hardship. This documentation showed that Benchmark's total current liabilities exceeded its current assets by over \$120,000 as of September 30, 2014. This shows a company with short-term liquidity problems. In addition, the operator's net income continued to decline from -\$53,259 in 2013 to -\$72,813 in 2014, which represents a 36.7% decline.

AGREEMENT

NOW, THEREFORE, based on the Findings and pursuant to Rule 522.e.(1) and the Commission's Enforcement and Penalty Policy, the Director proposes and Benchmark agrees to settle the NOAV on the following terms and conditions:

- I. Benchmark is found in violation of Rules 210, 603.f., 605.a.(4), 605.d., 906.a., 1002.f., and 1003.a. as described above.
- II. Benchmark will be assessed a penalty of \$773,250. This penalty will be suspended pending compliance with all of the corrective actions by the deadline set forth in Section III of this agreement.
 - a. If Benchmark does not complete these corrective actions by the required date, this penalty will immediately become due within 30 days of notification from the Director, without further action from the Commission.
 - b. If Benchmark does not complete these corrective actions by the required date, the Director will immediately suspend the Benchmark's Form 10, Certificate of Clearance, without further action from the Commission. This suspension will remain in effect until Benchmark demonstrates that the corrective actions have been performed and the penalty is paid in full.
- III. Benchmark will perform the following corrective actions at the Wells within three months (by August 18, 2015) of the approval of this AOC:
 - a. Logan J Sand Unit 2-5 Well: Install well sign and label tank pursuant to Rule 210; remove unused inoperable equipment, debris, and weeds; mark guy line anchors; and repair secondary containment or remove the tank.
 - b. Mount Hope-Green 4 Well: Remove unused inoperable equipment and debris from the location.
 - c. Mount Hope Unit 49 Well: Remove unused inoperable equipment and debris from the location and mark guy line anchors.
 - d. NW Graylin D Sand Unit 8 Well: Install lease signs and tank labels; mark guy line anchors; and remove unused inoperable equipment and weeds.
 - e. NW Graylin D Sand Unit 9 Well: Remove inoperable equipment and control weeds.
 - f. NW Graylin D Sand Unit 12 Well: Install lease sign and tank labels; remove unused inoperable equipment, debris, and weeds; repair or remove heater-treater and repair dump line.

- IV. Payment of the penalty pursuant to this AOC does not relieve the operator from its obligations to complete corrective actions set forth in the NOAVs, as may be amended or modified by COGCC Staff.

RECOMMENDED this 4th day of May, 2015.

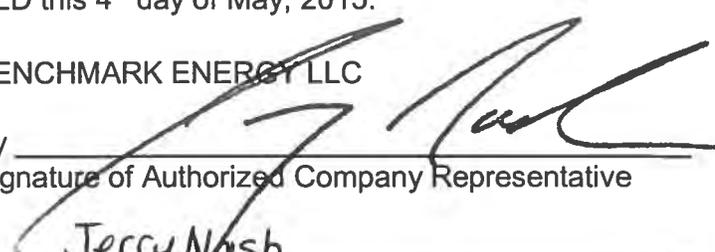
OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO



By _____
Britta Beckstead, Asst. Attorney General

AGREED TO AND ACCEPTED this 4th day of May, 2015.

BENCHMARK ENERGY LLC



By _____
Signature of Authorized Company Representative

Jerry Nash
Print Signatory Name

Managing Member
Title

ORDER

HAVING CONSIDERED the Agreement between the Director and Benchmark to resolve the NOAV, the COMMISSION ORDERS:

1. Benchmark is found in violation of Rules 210, 603.f., 605.a.(4), 605.d., 906.a., 1002.f., and 1003.a. as described above.
2. Benchmark is assessed a penalty of \$773,250. This penalty will be suspended pending compliance with all of the corrective actions by the deadline set forth below.
 - a. If Benchmark does not complete these corrective actions by the required date, this penalty will immediately become due within 30 days of notification from the Director, without further action from the Commission.
 - b. If Benchmark does not complete these corrective actions by the required date, the Director will immediately suspend the Benchmark's Form 10, Certificate of Clearance, without further action from the Commission. This

suspension will remain in effect until Benchmark demonstrates that the corrective actions have been performed and the penalty is paid in full.

3. Benchmark will perform the following corrective actions at the Wells within three months (by August 18, 2015) of the approval of this AOC:
 - a. Logan J Sand Unit 2-5 Well: Install well sign and label tank pursuant to Rule 210; remove unused inoperable equipment, debris, and weeds; mark guy line anchors; and repair secondary containment or remove the tank.
 - b. Mount Hope-Green 4 Well: Remove unused inoperable equipment and debris from the location.
 - c. Mount Hope Unit 49 Well: Remove unused inoperable equipment and debris from the location and mark guy line anchors.
 - d. NW Graylin D Sand Unit 8 Well: Install lease signs and tank labels; mark guy line anchors; and remove unused inoperable equipment and weeds.
 - e. NW Graylin D Sand Unit 9 Well: Remove inoperable equipment and control weeds.
 - f. NW Graylin D Sand Unit 12 Well: Install lease sign and tank labels; remove unused inoperable equipment, debris, and weeds; repair or remove heater-treater and repair dump line.
4. This Order does not relieve Benchmark from undertaking and completing additional abatement or corrective actions as required by COGCC Staff. The Director may not extend the corrective action deadlines in this Order without Commission approval.
5. Entry of this Order constitutes final agency action for purposes of judicial review 30 days after the date this order is mailed by the Commission. For all other purposes, this Order is effective as of the date of approval by the Commission.
6. The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above orders.

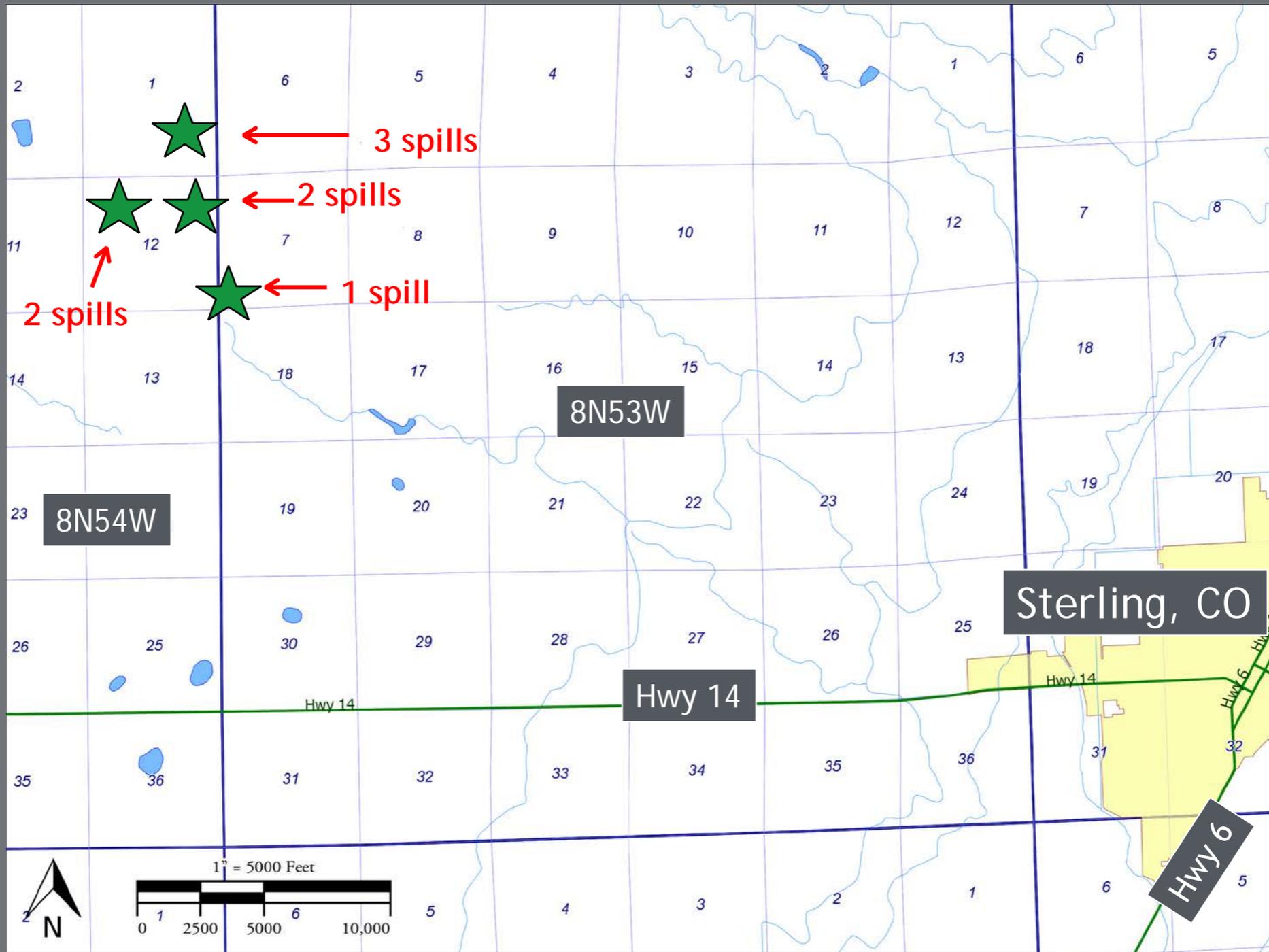
ENTERED this 20th day of May, 2015 as of the 18th day of May, 2015.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

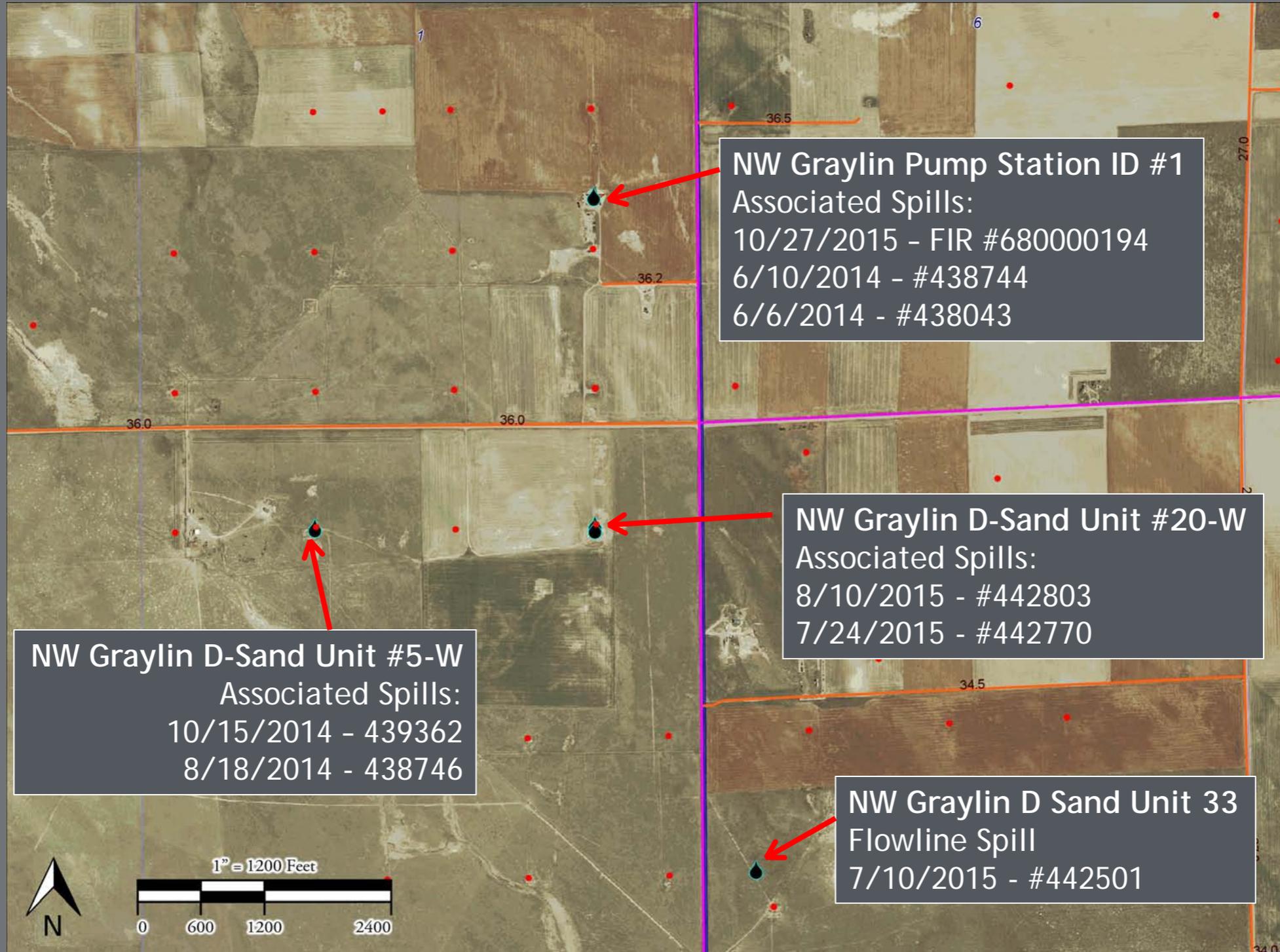
By


Julie Murphy, Secretary

Benchmark Energy LLC Spill Locations (Logan County)



Benchmark Energy LLC Spill Locations



FORM
NOAV
Rev 6/99

State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109



FOR OGCC USE ONLY
08/31/2015
200437036

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10380
Name of Operator: BENCHMARK ENERGY LLC
Address: PO BOX 8747 ATTN: JERRY NASH
City: PRATT State: KS Zip: 67124
Company Representative: JERRY NASH

Date Notice Issued:
08/31/2015

Well Name: Well Number: Facility Number: 437485
Location (QtrQtr, Sec, Twp, Rng, Meridian): NESE 1 8N 54W 6 County: LOGAN
API Number: 05 Lease Number:

COGCC Representative: Axelson John Phone Number: 303 894-2100

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED
Date of Alleged Violation: 05/13/2015 Approximate Time of Violation: 12:00PM
Description of Alleged Violation:
The Colorado Oil & Gas Conservation Commission (COGCC) issued a Notice of Alleged Violation (NOAV), (Document #200409785) to Benchmark Energy LLC (Benchmark) on August 1, 2014 for violations associated with spill reporting and remediation of two spills at Tank Battery Facility ID #437485. The NOAV resulted in Order No. 1V-496 that required Benchmark to pay a penalty and to perform certain corrective actions no later than May 13, 2015. Specifically, Benchmark was required to remove additional E&P waste from the tank battery and provide confirmation sampling to verify that any remaining material complied with Table 910-1 standards. To date no additional documentation regarding the remediation at the Tank Battery has been provided to COGCC thus violating Order No. 1V-496.

Act, Order, Regulation, Permit Conditions Cited:
Section 34-60-121(1), C.R.S. (violation of Order 1V-496); Rule 907, Rule 909; Rule 910

Abatement or Corrective Action Required to be Performed by Operator:
Provide a supplemental report referencing Remediation Project #8642 with the following information:
1. All soil disposal documentation related to Remediation Project #8642.
2. GPS coordinates for all confirmation sample locations.
3. Soil sample diagram illustrating all sample locations and depths.
4. Summary table of analytical results compared to Table 910-1 standards.
Abatement or Corrective Action to be Completed by (date): 05/13/2015
* Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

TO BE COMPLETED BY OPERATOR - When alleged violation is corrected, sign this notice and return to above address:
Company Representative Name: _____ Title: _____
Signature: _____ Date: _____
Company Comments:

*** THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED ***

PENALTY

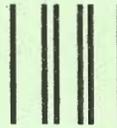
Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Hard-copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_cogccenforcement@state.co.us.

Signature of COGCC Representative: [Signature] Date: 8/31/15 Time: 11:00
Resolution Approved by: _____ Date: _____

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

NOAV 200437036 &
200437037
Document 2315534

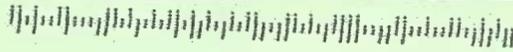
• Sender: Please print your name, address, and ZIP+4® in this box•

John Axelson
COGCC
1120 Lincoln St., Ste. 801
Denver, CO 80203-2136

RECEIVED

SEP 15 2015

COGCC



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Jennifer Prosser</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Jennifer Prosser</i> C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p><i>Benchmark Energy LLC</i> <i>Attn: Jerry Nash</i> <i>P.O. Box 8747</i> <i>Pratt, KS 67124</i></p>	<p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7014 0510 0002 0093 4499</p>
<p>PS Form 3811, July 2013 Domestic Return Receipt</p>	

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400939440

Date Issued:

12/11/2015

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 522, the Director has reasonable cause to believe that a violation of the Act, or of any Commission rule, order, or permit has occurred, the Director will require the operator to remedy the violation and may commence an enforcement action seeking penalties by issuing a Notice of Alleged Violation (NOAV). Per Rule 523, an operator who violates the Act, or a Commission rule, order, or permit may be subject to a penalty imposed by Commission order.

OPERATOR INFORMATION

OGCC Operator Number: 10380

Name of Operator: BENCHMARK ENERGY LLC

Address: PO BOX 8747

City: PRATT State: KS Zip: 67124

Contact Name and Telephone:

Name: Jerry Nash

Phone: (316) 617-1147 Fax: ()

Email: jerry@benchmarkenergy.us

Well Location, or Facility Information (if applicable):

API Number: 05- - -00

Facility or Location ID: _____

Name: _____

Number: _____

QtrQtr: _____ Sec: _____

Twp: _____ Range: _____

Meridian: _____

County: _____

ALLEGED VIOLATION

Rule: 906.a.

Rule Description: Spills and Releases - General

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Benchmark Energy LLC (Benchmark) reported spill #'s 438043, 438744, 438746, 439362, 442501, 442770, and 442803 at oil & gas facilities in Logan County. In addition, Benchmark failed to notify or report a spill discovered by COGCC staff at Facility ID #437485 on October 27, 2015, hereinafter the "Unreported Spill" (reference Field Inspection Report Document #s 680000194 and 681700006). The spill events referenced in this paragraph shall collectively be referred to as "the Spills." Operators are required upon discovery to immediately control and contain all spills/releases of E&P waste or produced fluids to protect the environment and to investigate, clean up, and document impacts resulting from the Spills as soon as practicable. To date Benchmark has failed to provide COGCC with confirmation sample results that document impacts resulting from the Spills were properly investigated and cleaned up, violating Rule 906.a. See attached Table for spill date, location and document information (Attachment 1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 01/08/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Benchmark shall perform sampling and analysis as required by Rules 909 and 910 at each referenced spill location including the Unreported Spill, and submit the results by January 8, 2015 along with the eForm 19 Supplemental Report submissions required for the Spills in the Corrective Action below. Benchmark shall provide the following documentation: 1) Sample location diagrams depicting the location and depth of each sample collected 2) Summary tables of the analytical results compared to Table 910-1 standards and 3) Complete copies of the laboratory reports with chain-of-custody documentation.

Rule: 906.b

Rule Description: Spill Reporting

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Benchmark failed to timely complete reporting required pursuant to Rule 906.b. for the Spills. Benchmark failed to submit Form 19 Initial Reports for spill #'s 438043, 438744, 438746 and the Unreported Spill within 72 hours of discovery, violating Rule 906.b. Operator failed to submit Form 19 Supplemental Reports for all of the Spills within 10 calendar days also a violation of Rule 906.b. Benchmark failed to notify the Surface Owner within 24 hours for spill #'s 438746, 439362, 442770, 442803, and the Unreported Spill violating Rule 906.b.(3).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 01/08/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Benchmark shall submit eForm 19 Supplemental Reports for all of the Spills to COGCC and notify the Surface Owner(s) of the spills by January 8, 2016. Benchmark shall provide written documentation that each surface owner was notified including the person contacted, date and phone number. Documentation shall be submitted with the eForm 19 Supplemental Reports.

Rule: 906.c

Rule Description: Surface owner Notice/Consultation

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

On September 14, 2015, COGCC received a complaint (Document #200437201) from the landowner alleging surface impacts on his property resulting from Benchmark's recent produced water spills. A review of aerial photographs revealed historic surface damage that predates Benchmark's operation of the well. However, Benchmark had two spills, #'s 438746 and 439362, which have contributed to the surface impacts surrounding the well. Benchmark has taken no action to properly remediate those spills or reclaim the surface. In response to the complaint and in light of the unresolved spills, COGCC performed a field inspection (Document #681700008) to investigate the current conditions of the impacted area. Two soil samples were collected from the area and submitted for laboratory analysis. Analytical results (Document #2210312) confirmed the presence of impacted soil with Sodium Adsorption Ratio exceeding the Table 910-1 allowable concentration in soil. Benchmark failed to remediate spill #'s 438746 and 439362 at API 075-05971, violating Rule 906.c.(1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/31/2015

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

Benchmark shall submit a Form 27 Site Investigation and Remediation Workplan to COGCC. The Form 27 shall include a detailed plan and schedule to properly characterize and remediate impacts from Spill #'s 439362 and 438746. The plan must also include a detailed surface reclamation plan to restore the surface damage indicated on the attached aerial photograph (Attachment 2). Benchmark is required to consult with the landowner regarding the plan and schedule to perform the work. Benchmark must provide a description of the proposed seed mixture for revegetation to the landowner for their prior approval. The submission of the Form 27 to COGCC, the consultation with the landowner regarding the plan and schedule for the work, and the provision of the description of the proposed seed mixture to the land owner must be completed by January 8, 2015. Benchmark shall install appropriate stormwater controls and control weeds throughout the duration of the remediation and surface reclamation work. All work to characterize and remediate impacts as well as completion of surface reclamation shall be performed no later than May 31, 2016.

Rule: 907.a

Rule Description: General E&P Waste management Requirements

Initial Discovery Date: _____

Was this violation self-reported by the operator? No

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

As noted in the Rule 906.b. violations above, Benchmark failed to submit Form 19 Supplemental Reports which further resulted in a failure to demonstrate that Benchmark has insured E&P Waste has been properly stored, handled, transported, treated, recycled or disposed to prevent threatened or actual significant adverse environmental impacts to air, water, soil or biological resources or to the extent necessary to ensure compliance with the concentration levels in Table 910-1 for the Spills, violating Rule 907.a.(1).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 01/08/2016

Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.

For each location related to the Spills, Benchmark shall submit disposal documentation verifying that all E&P waste generated from each spill has been properly disposed. Include all information required by Rule 907.b.(2). If E&P waste has not been removed from the location then provide type of waste, volume, current location of storage including GPS coordinates. Benchmark shall submit this information by January 8, 2016 along with the eForm 19 Supplemental Report submissions required for all the Spills in the Corrective Action above.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgement may be entered. Hard copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 12/11/2015

COGCC Representative Signature: _____



COGCC Representative: Axelson, John

Title: East Environmental Superv

Email: john.axelson@state.co.us

Phone Num: (303) 894-2100x5115

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

<u>Document Number</u>	<u>Description</u>
400952358	NOAV DOCUMENTATION
400952359	NOAV DOCUMENTATION

Total Attach: 2 Files

NOAV 400939440 Attachment

Spill Discovery Date	Spill #	Facility ID#	Initial Report Deadline	Initial Report Date	Form 19 #	Supplemental Report Deadline	Supplemental Report Date(s)
10/27/2015 (Field Inspection)	n/a	437485 (TB)	10/30/2015	10/27/2015	n/a	n/a	not filed
8/10/2015	442803	075-05972	8/13/2015	8/11/2015	400882859	8/20/2015	not filed
7/24/2015	442770	075-05972	7/27/2015	7/27/2015	400874775	8/3/2015	not filed
7/10/2015	442501	437485 (TB)	7/13/2015	7/13/2015	400867001	7/20/2015	7/22/2015
10/15/2014	439362	075-05971	10/18/2014	10/15/2014	400709005	10/25/2014	not filed
8/18/2014	438746	075-05971	8/21/2014	8/27/2014	400674276	8/28/2014	not filed
6/10/2014	438744	437485 (TB)	6/13/2014	7/2/2014	400638485	6/20/2014	not filed
6/4/2014	438043	437485 (TB)	6/7/2014	6/27/2014	400634998	6/14/2014	not filed ³



02193125

UNITED STATES POSTAL SERVICE



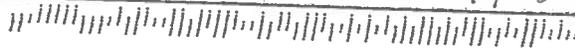
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USPS
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State of Colorado – COGCC
Attn: Steven Mah
1120 Lincoln Street, Suite 801
Denver, CO 80203-2136

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DEC 18 2015
COGCC

NoAV # 400939440



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

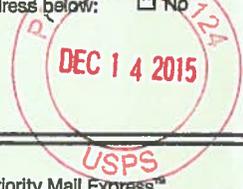

 Benchmark Energy LLC
 Attn: Jerry Nash
 PO Box 8747
 Pratt, KS 67124

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *Jennifer Prosser* Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
Jennifer Prosser 12/14/2015

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No



3. Service Type
 Certified Mail® Priority Mail Express™
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
 (Transfer from service label)

7014 3490 0001 7107 9722

PS Form 3811, July 2013

Domestic Return Receipt

NW Graylin Pump Station ID #1 Tank Battery

Facility ID: 437485

Aerial Photo Date: 10/15/2015

Associated Spill IDs: 438043, 438744, FIR #680000194

Spill #438043 - "Tank Battery 1" spill impacted areas inside and outside of the berm

Spill #438744 - "Tank Battery 2"

"FIR" Spill - overflow of replacement tank

Google earth

100 ft



FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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Inspection Date:
06/06/2014

Document Number:
667200124

Overall Inspection:

VIOLATION

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>437485</u>		<u>SCHURE, KYM</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10380</u>
Name of Operator:	<u>BENCHMARK ENERGY LLC</u>
Address:	<u>PO BOX 8747</u>
City:	<u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Nash, Jerry	(620) 672-9700	lferrell@profsecservices.com	
LEONARD, MIKE		mike.leonard@state.co.us	
NOTO, JOHN		john.noto@state.co.us	
Nash, Jerry	(316) 617-1147	jerry@benchmarkenergy.us	
QUINT, CRAIG		craig.quint@state.co.us	
AXELSON, JOHN		john.axelson@state.co.us	

Compliance Summary:

QtrQtr: _____ Sec: _____ Twp: _____ Range: _____

Inspector Comment:

At approximately 6:00am MST, a spill/release was discovered by Inspector Schure @ the Benchmark Facility #437485 (battery). Upon investigation the results of the Inspection Report are noted in this Doc # 667200124. No signage/emergency contact information was/is present at the battery (source of spill/release), Inspector Schure identified the emergency contact information listed on the nearest well-site and called 1-877-865-0834 and spoke to the attendant. Inspector Schure requested a return call from the Operator/Producer in the attempt to verify that the Operator was aware of the spill. At 12:49pm MST, Inspector Schure re-called 1-877-865-0834 and spoke to an attendant notifying the emergency contact service attendant that NO response from the Operator had been received from the previous request and therefore reiterated the request for a response from the Operator immediately. As of 4:07pm MST, No response from the Operator has been received. Additional information including non-compliance issues are included in this Inspection Report as follows:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
437485	TANK BATTERY	AC	06/06/2014		-	Sec 1 8N54W Battery	UN <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Location

Lease Road:				
Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	ACTION REQUIRED	Lease road is interrupted by spill.	Remove/Remediate contaminates oil/PW from lease road. Notify COGCC of E&P waste removal and remediation process per COGCC Rules and Regs. 24 hr. Notification and implementation.	06/07/2014

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	VIOLATION	Tanks at battery do not have contents or quantities placarded.	All tank/vessels/containers are required to have content/quantity/fire code placarded. Placard tanks at battery.	06/20/2014
BATTERY	VIOLATION	No signage at battery.	Install signage at battery per Rule 210.	06/20/2014

Emergency Contact Number (S/A/V): VIOLATION Corrective Date: 06/20/2014

Comment: **NO emergency contact information available at battery.**

Corrective Action: **Install emergency contact information at battery.**

Spills:				
Type	Area	Volume	Corrective action	CA Date
PW/CO	Tank	> 5 bbls	Remove/remediate spill within berm containment and outside of berm containment at spill-site.	06/07/2014

Multiple Spills and Releases?

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 437485

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 437485 Type: TANK API Number: - Status: AC Insp. Status: UN

Producing Well

Comment: Spill report initiated by COGCC Inspector Schure. No notification by Operator has been received at time of Inspection Report submittal.

Environmental

Spills/Releases:

Type of Spill: OIL Description: Oil and P/W Estimated Spill Volume: 5

Comment: Contact COGCC Environmental within 72 hrs. File Form 19 and submit required documentation. 24 hr. notification of release/spill outside containment to local government, COGCC and surface owner. Spill outside of containment is approximately (300)' ft. in length, varying in width from approximately (2)' ft. in width to approximately (15)' ft. in width.

Corrective Action: Submit Form 19 in accordance with COGCC Rules and Regs.	Date: 06/09/2014
Reportable: <u>YES</u>	GPS: Lat _____ Long _____
Proximity to Surface Water: _____	Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS: _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? _____ CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____ CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location Multi-Well Location

Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments		
Comment	User	Date
Spill/Release within and outside of containment.	schureky	06/06/2014

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
667200125	Spill within containment both tanks	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359844
667200126	Spill on lease road outside containment	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359845
667200127	Oil E&P Waste Wildlife tracks in spill	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359846

667200128	Spill within containment Placarding non-compliance	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359847
667200129	Spill outside containment (source)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359848
667200130	Spill within containment (source)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359849
667200131	Spill within containment (source)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359850
667200132	Spill outside containment (source and pathway)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359851
667200133	Spill pathway outside containment	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359852
667200134	Spill pathway outside containment (lease road)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359853
667200135	Spill pathway outside containment entering adjacent field	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359854
667200136	Spill pathway outside containment into adjacent field	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359855
667200138	Spill P/W following drainage in adjacent field	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359856
667200139	Spill following drainage in adjacent field	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359857
667200141	Spill within containment Wildlife tracks in waste	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359858
667200142	Spill source within containment Tank #1	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359859
667200143	Spill source within containment Tank #2	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359860
667200144	Spill source both Tanks	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3359861



06.06.2014



06.06.2014



06.06.2014



06.06.2014



NO
SMOKING

06.06.2014



06.06.2014



06.06.2014



06:06.2014



06.06.2014



06.06.2014

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400638485

Date Received:

07/23/2014

Spill report taken by:

CHESSON, BOB

Spill/Release Point ID:

438744

SPILL/RELEASE REPORT (INITIAL)

This form is to be submitted by the party responsible for the oil and gas spill or release. Any spill or release which may impact waters of the State must be reported as soon as practicable; any spill over 20 bbls must be reported within 24 hours and all spills over five bbls must be reported within ten days. Submit a Site Investigation and Remediation Workplan (Form 27) when requested by the Director.

OPERATOR INFORMATION

Name of Operator: <u>BENCHMARK ENERGY LLC</u>	Operator No: <u>10380</u>	Phone Numbers
Address: <u>PO BOX 8747</u>		Phone: <u>(620) 672-1114</u>
City: <u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>		Mobile: <u>(316) 617-1147</u>
Contact Person: <u>Jerry Nash</u>		Email: <u>jerry@benchmarkenergy.us</u>

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 400638485

Initial Report Date: 07/02/2014 Date of Discovery: 06/10/2014 Spill Type: Recent Spill

Spill/Release Point Location:

Location of Spill/Release: QTRQTR NE SE SEC 1 TWP 8N RNG 54W MERIDIAN 6

Latitude: 40.687797 Longitude: -103.356668

Municipality (if within municipal boundaries): _____ County: LOGAN

Reference Location:

Facility Type: TANK BATTERY Facility/Location ID No 437485
 No Existing Facility or Location ID No.
 Well API No. (Only if the reference facility is well) 05- -

Fluid(s) Spilled/Released (please answer Yes/No):

Was one (1) barrel or more spilled outside of berms or secondary containment? No

Secondary containment, including walls & floor regardless of construction material, must be sufficiently impervious to contain any discharge from primary containment until cleanup occurs.

Were Five (5) barrels or more spilled? Yes

Estimated Total Spill Volume: use same ranges as others for values

Estimated Oil Spill Volume(bbl): >=1 and <5 Estimated Condensate Spill Volume(bbl): 0

Estimated Flow Back Fluid Spill Volume(bbl): 0 Estimated Produced Water Spill Volume(bbl): >=100

Estimated Other E&P Waste Spill Volume(bbl): 0 Estimated Drilling Fluid Spill Volume(bbl): 0

Specify: _____

Land Use:

Current Land Use: NON-CROP LAND Other(Specify): _____

Weather Condition: Raining

Surface Owner: OTHER (SPECIFY) Other(Specify): Brad Anderson

Check if impacted or threatened by spill/Release (please answer Yes/No to all that apply):

Waters of the State Residence/Occupied Structure Livestock Public Byway Surface Water Supply Area

As defined in COGCC 100-Series Rules

Describe what is known about the spill/release event (what happened -- including how it was stopped, contained, and recovered):

Lightning struck the tank battery causing it to blow up. Called 911 to put out fire. Spill was contained in berm. Kloberdanz Oilfield Service came out and pulled all the fluid from inside berm and put back into tank to reinject in wells. 2 loads of oily soil was taken to Logan County Landfil by Jerry Nash. E & P Waste brought dumpster out for final load. Waiting on soil samples from Test Lab. Damaged tank was cut up an put in roll off from Waste Management. A new tank will be replacing the damaged tank.

List Agencies and Other Parties Notified:

OTHER NOTIFICATIONS

<u>Date</u>	<u>Agency/Party</u>	<u>Contact</u>	<u>Phone</u>	<u>Response</u>
6/10/2014	Emergency 911		-911	Came out and put out fire.
6/10/2014	Kloberdanz Oilfield Services	Bob	970-466-1969	Came out with water truck & pulled all fluid from inside berm. put back in tank to reinject into wells.
6/11/2014	COGCC	Kym Schure	303-894-2100	He said to call John Noto & complete Form 19.
6/11/2014	COGCC	John Noto	303-400-6136	
6/11/2014	Landowner	Brad Anderson	970-520-7927	He said he would go out and take a look.

I hereby certify all statements made in this form are to the best of my knowledge true, correct, and complete.

Signed: _____ Print Name: Monica Hamilton
 Title: Bookkeeper Date: 07/23/2014 Email: mhamilton@profsecservices.com

<u>COA Type</u>	<u>Description</u>

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400638485	FORM 19 SUBMITTED
400638552	TOPOGRAPHIC MAP

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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Inspection Date:
06/18/2014

Document Number:
670600318

Overall Inspection:

VIOLATION

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>437485</u>		<u>NOTO, JOHN</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10380</u>
Name of Operator:	<u>BENCHMARK ENERGY LLC</u>
Address:	<u>PO BOX 8747</u>
City:	<u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
SCHURE, KYM		kym.schure@state.co.us	
Nash, Jerry	(316) 218-8184	jerry@benchmarkenergy.us	All Inspections
AXELSON, JOHN		john.axelson@state.co.us	
QUINT, CRAIG		craig.quint@state.co.us	
Nash, Jerry	(620) 672-9700	lferrell@profsecservices.com	
LEONARD, MIKE		mike.leonard@state.co.us	

Compliance Summary:

QtrQtr: _____ Sec: _____ Twp: _____ Range: _____

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
06/06/2014	667200124	AC	UN	VIOLATION			Yes

Inspector Comment:

J. Noto site visit on 6/18/14. Followup to inspection #667200124. Form 19s submitted for two separate spills from same battery (see attached). Spill on 6/5/14 reportedly 2 to 5 bbl produced water and 0 bbl recovered. Spill on 6/10/14 reportedly 300 bbl produced water and 320 bbl recovered. See spill section for details. Operator spill notifications from spill on 6/5/14 were not in accordance with Rule 906. Discrepancies were noted between Form 19s and field observation. Supplemental reports and location maps not submitted within 10 days. COGCC observed spilled oil when only produced water was reported. Corrective action - immediately submit Form 19s in eForms with supplemental/corrected information, submit map showing the location of the spill in accordance with Rule 906. Submit Form 27 by June 27, 2014. E&P waste was transported from the site prior to 6/18/14, provide transportation and disposal information by June 27, 2014 for all oily soil and liquids removed from the site. Immediately place stockpiled oily soil in a bermed, plastic lined area. Provide COGCC with 48 hour notice prior to disposal and confirmation sampling. Do not backfill open excavations without COGCC approval unless there are safety concerns.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
437485	TANK BATTERY	AC	06/06/2014		-	Sec 1 8N54W Battery	AC

Equipment:

Location Inventory

Location

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	VIOLATION	produced water tank not labeled with contents or capacity.	Install sign to comply with rule 210.	06/27/2014

Emergency Contact Number (S/A/V): _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:				
Type	Area	Volume	Corrective action	CA Date
PW/CO	Tank	<= 5 bbls	spill on 6/5/14. See Spill Section and Inspector Comment Section	06/27/2014
PW/CO	Tank	> 5 bbls	spill from lightning strike on 6/10/14. See inspector comment section.	06/27/2014

Multiple Spills and Releases?

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	FIBERGLASS AST	,

S/A/V: **ACTION REQUIRED** Comment: oil stain at apparent hole near top of tank, adjacent tank burned from lightning strike, tank not labeled with contents or capacity

Corrective Action: **repair tank, inspect tank for damage from adjacent fire, label tank** Corrective Date: **06/17/2014**

Paint

Condition	Adequate
-----------	----------

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate			Inadequate

Corrective Action: **maintain berms** Corrective Date: **06/27/2014**

Comment: _____

Venting:

Yes/No	Comment

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 437485

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Environmental

Spills/Releases:

Type of Spill: OIL Description: crude oil from tank Estimated Spill Volume: _____

Comment: Initial spill - Spill was identified by COGCC inspector who called operator on 6/6/14, operator called back with verbal report to COGCC on 6/9/14. Verbal notification to COGCC was not within 24 hours in accordance with Rule 906. Form 19 reported spill on 6/5/14 was not submitted to COGCC until 6/9/14. Surface owner and local government not notified within 24 hours. Spill was misidentified as produced water only on Form 19. Supplemental corrected information not received within 10 days.

Corrective Action: see Inspector Comment Section Date: 06/27/2014

Reportable: YES GPS: Lat 40.687797 Long -103.356668

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

Lat _____ Long _____

DWR Receipt Num: _____ Owner Name: _____ GPS : _____

Field Parameters: _____

Sample Location: _____

Waste Management:					
Type	Management	Condition	Comment	GPS (Lat)	(Long)
Oily Soil	Piles	Inadequate	oily soil stockpile on bare ground without berm. Portion was reportedly transported to Logan County Landfill.		

Emission Control Burner (ECB): _____
 Comment: _____
 Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1003a. Debris removed? _____ CM _____
 CA _____ CA Date _____

Waste Material Onsite? _____ CM _____
 CA _____ CA Date _____

Unused or unneeded equipment onsite? _____ CM _____
 CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____ CM _____
 CA _____ CA Date _____

Guy line anchors removed? _____ CM _____
 CA _____ CA Date _____

Guy line anchors marked? _____ CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Inspector Name: NOTO, JOHN

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
670600319	Form 19 for first spill on 6/5/14	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3371158
670600320	Form 19 for second spill on 6/10/14	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3371159
670600323	pooled oil and oil stained soil in bermed area	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3371160
670600324	pooled oil, stockpile and burned tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3371161
670600325	oil stained soil from initial spill	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3371162

670600327	scraped area and oily soil stockpile facing west	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3371163
670600328	pooled oil and oily stockpile in bermed area	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3371164
670600329	oil in burned tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3371165
670600330	oily soil stockpile and burned tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3371166

















COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

~~April 14, 2015~~ June 4, 2015

Mr. Jerry Nash
Benchmark Energy LLC
PO Box 8747
Pratt, KS 67124

Re: Administrative Order by Consent No. 1V-496
Logan J Sand Unit Tank Battery - Facility ID 437485

Mr. Nash,

The Administrative Order by Consent (AOC) No. 1V-496 required certain corrective actions to be completed and documented within 30 days of approval of the AOC. The AOC was agreed to and signed by you on April 2, 2015. It was subsequently approved by the full Colorado Oil & Gas Conservation Commission (COGCC) on April 13, 2015, making the corrective actions due no later than May 13, 2015. To date, COGCC has received no documentation that the corrective actions required by the Agreement in Paragraph V. Subparts a., b., c., or d. were completed.

Under Paragraph 7 of the Order, an extension was allowed for good cause. COGCC has not received an extension request. As a result, Benchmark is in violation of the order which constitutes a new violation subject to additional daily penalties.

COGCC is requesting a status update regarding completion of the corrective actions. Please remit the update with all available documentation verifying that corrective actions were completed to me no later than June 15, 2015. If you have any questions, please call me at 303-894-2100, ext. 5115.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Axelson', is written over a light blue horizontal line.

John Axelson, P.G.
East Environmental Supervisor

Cc. Matt Lepore - COGCC Director
Julie Murphy - COGCC Hearings Manager
Peter Gowen - COGCC Enforcement Supervisor
Greg Deranleau - COGCC Environmental Manager
Britta Beckstead - Colorado Assistant Attorney General



FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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Inspection Date:
08/19/2015

Document Number:
678200252

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____
	<u>219208</u>	<u>312168</u>	<u>YOUNG, ROB</u>		

Operator Information:

OGCC Operator Number: <u>10380</u>
Name of Operator: <u>BENCHMARK ENERGY LLC</u>
Address: <u>PO BOX 8747</u>
City: <u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Axelson, John		john.axelson@state.co.us	
Nash, Jerry	(316) 218-8184	jerry@benchmarkenergy.us	All Inspections
Ferrell, LaDawn	(620) 672-3800	lferrell@profsecservices.com	All Inspections

Compliance Summary:

QtrQtr: NESE Sec: 1 Twp: 8N Range: 54W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
11/10/2014	667200646	PR	PR	ACTION REQUIRED			No
07/23/2014	667200237	PR	PR	ACTION REQUIRED			No
11/06/2013	670600027			ACTION REQUIRED			No
06/11/2013	667500190			ALLEGED VIOLATION			Yes
10/30/2012	667500062			ACTION REQUIRED			No
08/01/2012	663300357	TA	TA	ACTION REQUIRED	I		No
10/13/2011	200327588	ES	TA	ACTION REQUIRED			Yes
12/03/2010	200286951	PR	TA	ACTION REQUIRED			Yes
05/24/2010	200253078	PR	TA	ACTION REQUIRED			Yes
05/21/2008	200190932	ES	SI	ACTION REQUIRED			Yes
08/27/2007	200118778	MT	TA	SATISFACTORY			No
08/22/2002	200029794	MT	TA	SATISFACTORY		Pass	No
06/23/1997	500152849	ID	TA			Fail	Yes
01/08/1996	500152848	ID	TA			Fail	Yes
10/03/1995	500152847	MT	TA			Pass	No

Inspector Comment:

Inspected Pit Facility ID 116232 for stormwater controls and interim reclamation progress. Weeds need to be controlled and erosion prevented until adequate desirable vegetation has been established to warrant a final reclamation inspection request. Inspected Tank Battery Facility ID 437485 to determine if oily waste had been adequately removed from the location. The COGCC has not received confirmation soil sample results documenting that oily waste was adequately removed.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
116232	PIT	CL			-	NW GRAYLIN UNIT	EI	<input checked="" type="checkbox"/>
219208	WELL	SI	12/14/2014	OW	075-06043	LOGAN J SAND UNIT 4-19	SI	<input type="checkbox"/>
437485	TANK BATTERY	AC			-	Logan J Sand Unit Tank	EI	<input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Motors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Emergency Contact Number (S/A/V): _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
------	------	--------	-------------------	---------

Multiple Spills and Releases?

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 219208

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 116232 Type: PIT API Number: - Status: CL Insp. Status: EI

Facility ID: 437485 Type: TANK API Number: - Status: AC Insp. Status: EI

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____ Date: _____

Reportable: _____ GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: Pit Facility ID 116232, related to Order 1V-421 and Rem #5656.

Stormwater controls were (wattles) were observed in place at the location. Native grasses were observed across much of the reclaimed pit area as well as some bare areas and areas vegetated predominantly with weeds. Erosion appeared to be adequately controlled.

1003a. Debris removed? _____ CM _____
CA _____ CA Date _____

Waste Material Onsite? _____ CM _____
CA _____ CA Date _____

Unused or unneeded equipment onsite? _____ CM _____
CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____ CM _____
CA _____ CA Date _____

Guy line anchors removed? _____ CM _____
CA _____ CA Date _____

Guy line anchors marked? _____ CM _____
CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Inspector Name: YOUNG, ROB

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____ F _____

Comment: Continue to control weeds at the location and prevent erosion. Once adequate desirable vegetation has been established, request a final reclamation inspection.

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

Pit Type: _____	Lined: _____	Pit ID: _____	Lat: _____	Long: _____
Lining:				
Liner Type: _____	Liner Condition: _____			
Comment: _____				
Fencing:				
Fencing Type: _____	Fencing Condition: _____			
Comment: _____				
Netting:				
Netting Type: _____	Netting Condition: _____			
Comment: _____				
Anchor Trench Present: _____	Oil Accumulation: _____	2+ feet Freeboard: _____		
Pit (S/A/V): _____	Comment: <input style="width:100%;" type="text"/>			
Corrective Action: <input style="width:50%;" type="text"/>	Date: _____			

COGCC Comments

Comment	User	Date
Submit soil sample analytical results that document adequate removal of oily material from the tank battery. Provide a site sketch showing former oily material stockpile and soil sample locations to NE EPS (rob.young@state.co.us) by September 18, 2015.	youngr	08/20/2015

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
678200253	View W along N edge of reclaimed pit area.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3666589
678200254	View S across reclaimed pit area.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3666590
678200255	View S with straw wattle erosion BMP.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3666591
678200256	View E at bare area and large weeds that need to be controlled.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3666592
678200257	View E at tank battery berm - former oily material stockpile area.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3666593

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)



FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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Inspection Date:
10/27/2015

Document Number:
680000194

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>437485</u>		<u>QUINT, CRAIG</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10380</u>
Name of Operator:	<u>BENCHMARK ENERGY LLC</u>
Address:	<u>PO BOX 8747</u>
City:	<u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Young, Rob		rob.young@state.co.us	
Nash, Jerry	(620) 672-9700	lferrell@profsecservices.com	

Compliance Summary:

QtrQtr: _____ Sec: _____ Twp: _____ Range: _____

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/23/2014	667200244			ALLEGED VIOLATION			Yes
06/18/2014	670600318			ALLEGED VIOLATION			Yes
06/06/2014	667200124	AC	UN	ALLEGED VIOLATION			Yes

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
219208	WELL	SI	12/14/2014	OW	075-06043	LOGAN J SAND UNIT 4-19	PR	<input checked="" type="checkbox"/>
438043	SPILL OR RELEASE	AC	07/07/2014		-	SPILL/RELEASE POINT	AC	<input type="checkbox"/>
438744	SPILL OR RELEASE	AC	09/04/2014		-	SPILL/RELEASE POINT	AC	<input type="checkbox"/>
442501	SPILL OR RELEASE	AC	07/28/2015		-	SPILL/RELEASE POINT	AC	<input type="checkbox"/>

Equipment:

Location Inventory

Location

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	SATISFACTORY	Sign by tanks		

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Inspector Name: QUINT, CRAIG

Comment:

Corrective Action:

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	> 5 bbls	Tank ran over, remove free fluids within 24 hrs, remove stained soil.	12/27/2015

Multiple Spills and Releases?

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 437485

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 219208 Type: WELL API Number: 075-06043 Status: SI Insp. Status: PR

Producing Well

Comment: **Producing**

Environmental

Spills/Releases:

Type of Spill: OIL Description: Produced Fluids Estimated Spill Volume: 5

Comment: **Tank ran over, fluids remained in containment, it appears to have happened that morning.**

Corrective Action: **Remove free fluid with in 24 hrs, Remove stained soils** Date: **11/27/2015**

Reportable: YES GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

- 1003a. Debris removed? _____ CM _____
CA _____ CA Date _____
- Waste Material Onsite? _____ CM _____
CA _____ CA Date _____
- Unused or unneeded equipment onsite? _____ CM _____
CA _____ CA Date _____
- Pit, cellars, rat holes and other bores closed? _____ CM _____
CA _____ CA Date _____
- Guy line anchors removed? _____ CM _____
CA _____ CA Date _____
- Guy line anchors marked? _____ CM _____
CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment:

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment:

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment:

Corrective Action: Date _____

Overall Final Reclamation _____ Well Release on Active Location Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/A/V: _____ Corrective Date: _____

Comment:

CA:

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
680000195	Spill photographs	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3712668

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)

500
BBL



Benchmark Energy LLC

Operator # 10380

NW GRAYLIN PUMP STATION

ID #1

1-8N-54W

LOGAN CO.

EMERGENCY CONTACT

877-865-0834

Tank ran over



Water & Oil inside Berm



Picture 2 of produced fluids in berm



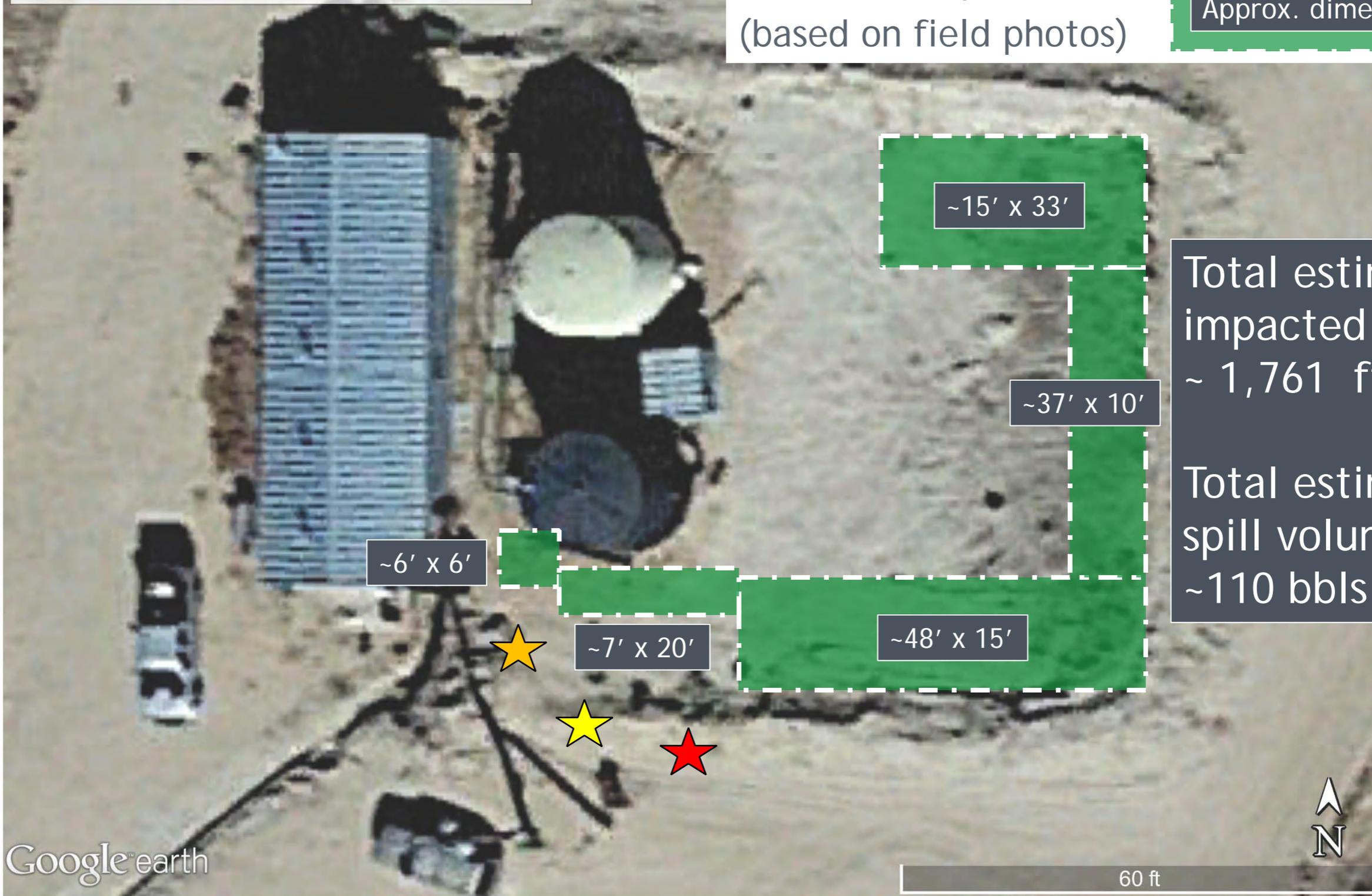
NW Graylin Pump Station ID #1

COGCC Facility ID: 437485
Benchmark Energy LLC (10380)
Google Earth aerial photo dated 10/15/2015

FIR Spill volume estimate

Estimated impacted area
(based on field photos)

Approx. dimensions



Total estimated impacted area:
~ 1,761 ft²

Total estimated spill volume:
~110 bbls

Benchmark Energy LLC Reporting Issues

Location	Dimensions (ft)	Area (ft ²)	Avg. Depth (in.)	Volume (bbl)
NE corner	15' x 33'	495	4"	29
E berm	37' x 10'	370	6"	33
SE Corner	15' x 48'	720	4"	43
S of tank	7' x 20'	140	2"	4
SW of tank	6' x 6'	36	2"	1
			Total estimated volume	110 bbls

Spill dimensions estimated based on field photos and Google Earth measurements.

Average spill depths estimated based on field photos and observations.

Volume calculated based on 1 bbl = 5.6146 ft³ = 42 gal

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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Inspection Date:
11/06/2015

Document Number:
681700006

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>437485</u>		<u>Arauza, Steven</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10380</u>
Name of Operator:	<u>BENCHMARK ENERGY LLC</u>
Address:	<u>PO BOX 8747</u>
City:	<u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Young, Rob		rob.young@state.co.us	
Quint, Craig		craig.quint@state.co.us	
Nash, Jerry	(316) 218-8184	jerry@benchmarkenergy.us	All Inspections
Axelson, John		john.axelson@state.co.us	

Compliance Summary:

QtrQtr: _____ Sec: _____ Twp: _____ Range: _____

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/27/2015	680000194			ACTION REQUIRED			No
07/23/2014	667200244			ALLEGED VIOLATION			Yes
06/18/2014	670600318			ALLEGED VIOLATION			Yes
06/06/2014	667200124	AC	UN	ALLEGED VIOLATION			Yes

Inspector Comment:

Environmental Inspection to follow up on spill identified by COGCC Inspector during Field Inspection on 10/27/2015 (Document #680000194). Observed oil and water within secondary containment, cleanup has not been adequate to satisfaction of COGCC requirements. SEE SPILLS SECTION FOR NECESSARY CORRECTIVE ACTIONS AND CA DATES.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
219208	WELL	SI	12/14/2014	OW	075-06043	LOGAN J SAND UNIT 4-19	EI <input checked="" type="checkbox"/>
438043	SPILL OR RELEASE	AC	07/07/2014		-	SPILL/RELEASE POINT	AC <input type="checkbox"/>
438744	SPILL OR RELEASE	AC	09/04/2014		-	SPILL/RELEASE POINT	AC <input type="checkbox"/>
442501	SPILL OR RELEASE	AC	07/28/2015		-	SPILL/RELEASE POINT	AC <input type="checkbox"/>

Equipment:

Location Inventory

Location

Inspector Name: Arauza, Steven

Emergency Contact Number (S/A/V): _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TRASH	ACTION REQUIRED	Unused equipment and garbage was observed in and around a trench located just outside of the SW corner of this tank battery (see field photos).	Cleanup trash and debris.	11/30/2015

Spills:				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	>= 5 bbls	Observed oil and water within secondary containment, cleanup has not been adequate to satisfaction of COGCC requirements. Operator shall immediately recover produced fluids, remove and properly dispose of oily waste while retaining records of disposal, pursuant to COGCC rules. Additionally, operator shall collect confirmation samples to demonstrate compliance with Table 910-1 standards and report the spill via electronic Form 19.	11/27/2015

Multiple Spills and Releases?

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	500 BBLS	STEEL AST	,

S/A/V: _____ Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint

Condition: _____

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action: _____ Corrective Date: _____

Comment: **same berm as Crude Oil AST (see below for CAs)**

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	1	500 BBLS	STEEL AST	,

S/A/V: _____ Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint				
Condition				
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Insufficient		Inadequate
Corrective Action	Repair and properly maintain earthen berm.			Corrective Date 11/27/2015
Comment	Secondary containment berm in need of repair, large burrow observed on SE corner (see field photos #4 and 5).			

Venting:		
Yes/No	Comment	

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 437485

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 219208 Type: WELL API Number: 075-06043 Status: SI Insp. Status: EI

Environmental

Spills/Releases:

Type of Spill: OIL Description: Spill discovered by COGCC Estimated Spill Volume: _____

Comment: Observed oil and water within secondary containment from spill previously reported on 10/27/2015 by COGCC Inspector (document #680000194), cleanup has not been adequate to satisfaction of COGCC requirements.

Corrective Action: SEE SPILL SECTION ON PAGE 2 OF THIS REPORT FOR CORRECTIVE ACTIONS. Date: 11/27/2015

Reportable: YES GPS: Lat 40.687687 Long -103.356520

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:	Lat	Long
DWR Receipt Num: _____	Owner Name: _____	GPS : _____

Field Parameters: _____

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? _____ CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____ CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
See Spills section for required corrective action.	arauzas	11/09/2015

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
681700007	11062015 Environmental Inspection Field Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3717736

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)

**Benchmark Energy LLC (Operator #10380), NW Graylin Pump Station ID #1
(Facility ID #437485), 11/6/2015 Environmental Field Inspection Photos – Arauza**



Field Photo 1: Facility Sign with crude oil tank, berm, and spill (looking NE).



Field Photo 2: Oil and water in secondary containment at SE corner of berm (looking W).



Field Photo 3: Oil and Water in secondary containment at NE corner of berm (looking W).



Field Photo 4: Large burrow in secondary containment (SE corner, looking W).



Field Photo 5: Close up shot of large burrow in SE corner of secondary containment with scale (looking W).



Field Photo 6: unused equipment and trench in SW corner of tank battery (looking N).

NW Graylin D-Sand Unit #5-W well pad

API #05-075-05971

Aerial Photo Date: 10/15/2015

Associated Spill IDs: 439362, 438746

NW Graylin D-Sand Unit #5-W pad

Both Spills #439362 and #438746
occurred at wellhead

Google earth

© 2015 Google

100 ft



State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400674276

Date Received:

08/27/2014

Spill report taken by:

CHESSON, BOB

Spill/Release Point ID:

438746

SPILL/RELEASE REPORT (INITIAL)

This form is to be submitted by the party responsible for the oil and gas spill or release. Any spill or release which may impact waters of the State must be reported as soon as practicable; any spill over 20 bbls must be reported within 24 hours and all spills over five bbls must be reported within ten days. Submit a Site Investigation and Remediation Workplan (Form 27) when requested by the Director.

OPERATOR INFORMATION

Name of Operator: <u>BENCHMARK ENERGY LLC</u>	Operator No: <u>10380</u>	Phone Numbers
Address: <u>PO BOX 8747</u>		Phone: <u>(620) 672-1114</u>
City: <u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>		Mobile: <u>(316) 617-1147</u>
Contact Person: <u>Jerry Nash</u>		Email: <u>jerry@benchmarkenergy.us</u>

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 400674276

Initial Report Date: 08/27/2014 Date of Discovery: 08/18/2014 Spill Type: Recent Spill

Spill/Release Point Location:

Location of Spill/Release: QTRQTR NE NW SEC 12 TWP 8N RNG 54W MERIDIAN 6

Latitude: 40.679328 Longitude: -103.366300

Municipality (if within municipal boundaries): _____ County: LOGAN

Reference Location:

Facility Type: FLOWLINE Facility/Location ID No _____
 No Existing Facility or Location ID No.
 Well API No. (Only if the reference facility is well) 05-075-05971

Fluid(s) Spilled/Released (please answer Yes/No):

Was one (1) barrel or more spilled outside of berms or secondary containment? Yes

Secondary containment, including walls & floor regardless of construction material, must be sufficiently impervious to contain any discharge from primary containment until cleanup occurs.

Were Five (5) barrels or more spilled? Yes

Estimated Total Spill Volume: use same ranges as others for values

Estimated Oil Spill Volume(bbl): >=5 and <100 Estimated Condensate Spill Volume(bbl): 0

Estimated Flow Back Fluid Spill Volume(bbl): 0 Estimated Produced Water Spill Volume(bbl): >=5 and <100

Estimated Other E&P Waste Spill Volume(bbl): 0 Estimated Drilling Fluid Spill Volume(bbl): 0

Specify: _____

Land Use:

Current Land Use: OTHER Other(Specify): Lease road & lease road ditch

Weather Condition: Wet

Surface Owner: OTHER (SPECIFY) Other(Specify): Mr. Russell Adele

Check if impacted or threatened by spill/Release (please answer Yes/No to all that apply):

Waters of the State Residence/Occupied Structure Livestock Public Byway Surface Water Supply Area

As defined in COGCC 100-Series Rules

Describe what is known about the spill/release event (what happened -- including how it was stopped, contained, and recovered):

The release spill accrued during excavation of the flow-line due to a recent (previous) release/spill. Shut valve to the line off and cut line and capped off for now. Wasn't contained as the rain had already washed down the pathway. Will excavate the affected soil.

List Agencies and Other Parties Notified:

OTHER NOTIFICATIONS

<u>Date</u>	<u>Agency/Party</u>	<u>Contact</u>	<u>Phone</u>	<u>Response</u>
8/18/2014	COGCC	Kym Schure	970-522-2534	No answer, left message.

I hereby certify all statements made in this form are to the best of my knowledge true, correct, and complete.

Signed: _____ Print Name: Monica Hamilton

Title: Bookkeeper Date: 08/27/2014 Email: mhamilton@profsecservices.com

<u>COA Type</u>	<u>Description</u>

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400674276	FORM 19 SUBMITTED

Total Attach: 1 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Environmental	Please submit topo ot aerial photo with spill location marked.	9/4/2014 10:19:25 AM

Total: 1 comment(s)

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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Inspection Date:
08/19/2014

Document Number:
667200391

Overall Inspection:

Violation

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>219142</u>	<u>312157</u>	<u>SCHURE, KYM</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 10380 Name of Operator: BENCHMARK ENERGY LLC
 Address: PO BOX 8747
 City: PRATT State: KS Zip: 67124

Contact Information:

Contact Name	Phone	Email	Comment
Burn, Diana		diana.burn@state.co.us	
Leonard, Mike		mike.leonard@state.co.us	
Nash, Jerry	(316) 218-8184	jerry@benchmarkenergy.us	All Inspections
Axelson, John		john.axelson@state.co.us	
Ellsworth, Stuart		stuart.ellsworth@state.co.us	
Ferrell, LaDawn	(620) 672-3800	lferrell@profsecservices.com	All Inspections
Jenkins, Steve		steve.jenkins@state.co.us	

Compliance Summary:

QtrQtr: NENW Sec: 12 Twp: 8N Range: 54W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/12/2014	667200363	TA	TA	U			N
08/09/2014	667200354	TA	TA	V			Y
07/23/2014	667200233	TA	TA	V			Y
08/08/2013	664001189	TA	TA	S			N
07/09/2012	663300289	TA	TA	U	I		N
06/16/2011	200312780	MI	AC	S			N
05/17/2010	200250541	RT	AC	S			N
08/04/2009	200215918	RT	AC	S			N
04/22/2008	200130653	RT	AC	S			N
06/20/2007	200115803	RT	AC	S		P	N
06/16/2006	200091651	MI	SI	S		P	N
06/08/2006	200091663	MI	AC	S		F	Y
07/05/2005	200074140	RT	SI	S		P	N
06/15/2004	200055909	RT		S		P	N
04/02/2003	200037007	RT	SI	S		P	N
07/18/2002	200028845	RT	SI	S	P	P	N
07/26/2001	200018310	MI	SI	S		P	N

Inspector Name: SCHURE, KYM

08/04/2000	200008427	RT	SI	S	P	N
------------	-----------	----	----	---	---	---

Inspector Comment:

COGCC Inspector (Schure) received a complaint via telephone at 4:55 pm MST on 08/18/2014 from Mr. Russell Adele regarding a current/active release on his property originating from 05-075-05971. Mr. Adele stated that he had contacted the Operator at 4:45 pm MST informing the Operator of the release/spill. Inspector Schure requested that Mr. Adele contact John Axelson (COGCC Environmental Sup.) regarding the release/spill. The release/spill occurred during excavation of the flow-line due to a recent (previous) release/spill. The fluid filled the excavation, over-flowed the excavation and migrated along the pathway created by previous releases/spills. Historical Inspection Reports (COGCC) identified current and historical un-reported releases/spills. Estimates of historical surface impact from previous releases/spills encompass an area approximately 300' x 150'. Estimate of current release/spill approximately 175' x 100'. COGCC requires inspection/analysis of damaged/failed pipe/connectors for review of condition of lines and integrity of system. Flow line testing/analysis required prior to well returning to service.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name
219142	WELL	TA	04/26/2013	ERIW	075-05971	NW GRAYLIN D-SAND UNIT 5-W <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Lease Road:

Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Access	Satisfactory	NO Lease road		

Signs/Marker:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Satisfactory			

Emergency Contact Number: (S/U/V) Satisfactory Corrective Date: _____
 Comment: _____
 Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
PW/CO	WELLHEAD	> 5 bbls	Submit notification report to COGCC Environmental within 24 hrs. of spill. Remove/ remediate affected soils from current spill and historic (previous) releases/spills.	08/21/2014

Multiple Spills and Releases?

Fencing/:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Satisfactory			

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Other	0	Satisfactory			

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 219142

Site Preparation:
 Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Comment: _____
CA: _____ **Date:** _____

Wildlife BMPs:

Comment: _____
CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:
 Name: _____ Address: _____
 Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:
 Landman Name: _____ Phone Number: _____
 Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:
 Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 219142 Type: WELL API Number: 075-05971 Status: TA Insp. Status: TA

Complaint

Comment: Surface Owner, Mr. Russell Adele contacted COGCC Inspector (Schure) with notification of spill/release at well-site. Mr. Adele reiterated (previous complaints unresolved) that continued non-compliance issues with Operator have damaged property. COGCC Inspector (Schure) received a complaint via telephone at 4:55 pm MST on 08/18/2014 from Mr. Russell Adele regarding a current/active release on his property originating from 05-075-05971. Mr. Adele stated that he had contacted the Operator at 4:45 pm MST informing the Operator of the release/spill. Inspector Schure requested that Mr. Adele contact John Axelson (COGCC Environmental Sup.) regarding the release/spill. The release/spill occurred during excavation of the flow-line due to a recent (previous) release/spill. The fluid filled the excavation, over-flowed the excavation and migrated along the pathway created by previous releases/spills. Historical Inspection Reports (COGCC) identified current and historical un-reported releases/spills. Estimates of historical surface impact from previous releases/spills encompass an area approximately 300' x 150'. Estimate of current release/spill approximately 175' x 100'. COGCC requires inspection/analysis of damaged/failed pipe/connectors for review of condition of lines and integrity of system. Flow line testing/analysis required prior to well returning to service.

Environmental

Spills/Releases:

Type of Spill: FLUID Description: P/W CO Estimated Spill Volume: _____

Comment: Repeated spills/releases at this location. Surface shows historical spills/releases indicated by vegetation kill and surface erosion.

Corrective Action: Contact COGCC Environmental for documentation/requirements. Remove/remediate Date: 08/21/2014

Reportable: YES GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

Lat _____ Long _____

DWR Receipt Num: _____ Owner Name: _____ GPS : _____

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? _____ CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____ CM _____

CA _____ CA Date _____

Inspector Name: SCHURE, KYM

Guy line anchors removed? _____ CM _____
CA _____ CA Date _____
Guy line anchors marked? _____ CM _____
CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____
1003c. Compacted areas have been cross ripped? _____
1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____
Cuttings management: _____
1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____
Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____
Comment: _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation

Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Other	Fail					

S/U/V: **Unsatisfactory** Corrective Date: **08/27/2014**

Comment: Surface erosion indicates continued degradation in affected area/pathway created by previous/current releases and stormwater runoff. NO stormwater BMP's in use.

CA: Install and maintain Stormwater BMP's

Attached DocumentsYou can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
667200392	Excavation at wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3416105
667200393	Release surface pathway from wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3416106
667200394	Extending pathway from wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3416107
667200395	Extending pathway from well along previous spill pathway	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3416108
667200396	Vegetation kill from previous spills/releases	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3416109
667200397	Vegetation kill-pathway of previous releases	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3416110

BENCHMARK ENERGY LLC
OP #34347
EMERGENCY CONTACT: #877-865-0834
NORTHWEST GRAYLIN UNIT
5-W
NENW SEC.12-T8N-R54W
LOGAN COUNTY, CO.
EMER. PH. (303) 575-1440 OR 911

08.19.2014



08.19.2014



08.19.2014



08.19.2014

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400709005

Date Received:

10/15/2014

Spill report taken by:

YOUNG, ROB

Spill/Release Point ID:

439362

SPILL/RELEASE REPORT (INITIAL)

This form is to be submitted by the party responsible for the oil and gas spill or release. Any spill or release which may impact waters of the State must be reported as soon as practicable; any spill over 20 bbls must be reported within 24 hours and all spills over five bbls must be reported within ten days. Submit a Site Investigation and Remediation Workplan (Form 27) when requested by the Director.

OPERATOR INFORMATION

Name of Operator: <u>BENCHMARK ENERGY LLC</u>	Operator No: <u>10380</u>	Phone Numbers
Address: <u>PO BOX 8747</u>		Phone: <u>(620) 672-1114</u>
City: <u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>		Mobile: <u>(316) 617-1147</u>
Contact Person: <u>Jerry Nash</u>		Email: <u>jerry@benchmarkenergy.us</u>

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 400709005

Initial Report Date: 10/15/2014 Date of Discovery: 10/15/2014 Spill Type: Recent Spill

Spill/Release Point Location:

Location of Spill/Release: QTRQTR NE NW SEC 12 TWP 8N RNG 54W MERIDIAN 6

Latitude: 40.679328 Longitude: -103.366300

Municipality (if within municipal boundaries): _____ County: LOGAN

Reference Location:

Facility Type: FLOWLINE Facility/Location ID No _____
 No Existing Facility or Location ID No.
 Well API No. (Only if the reference facility is well) 05-075-05971

Fluid(s) Spilled/Released (please answer Yes/No):

Was one (1) barrel or more spilled outside of berms or secondary containment? Yes

Secondary containment, including walls & floor regardless of construction material, must be sufficiently impervious to contain any discharge from primary containment until cleanup occurs.

Were Five (5) barrels or more spilled? Yes

Estimated Total Spill Volume: use same ranges as others for values

Estimated Oil Spill Volume(bbl): 0 Estimated Condensate Spill Volume(bbl): 0

Estimated Flow Back Fluid Spill Volume(bbl): 0 Estimated Produced Water Spill Volume(bbl): >=5 and <100

Estimated Other E&P Waste Spill Volume(bbl): 0 Estimated Drilling Fluid Spill Volume(bbl): 0

Specify: _____

Land Use:

Current Land Use: OTHER Other(Specify): Lease road & lease road ditch

Weather Condition: Wet

Surface Owner: OTHER (SPECIFY) Other(Specify): Mr. Russell Adele

Check if impacted or threatened by spill/Release (please answer Yes/No to all that apply):

Waters of the State Residence/Occupied Structure Livestock Public Byway Surface Water Supply Area

As defined in COGCC 100-Series Rules

Describe what is known about the spill/release event (what happened -- including how it was stopped, contained, and recovered):

Lead line cracked and allowed PW to leak out. Shut down well and repair leak.

List Agencies and Other Parties Notified:

I hereby certify all statements made in this form are to the best of my knowledge true, correct, and complete.

Signed: _____ Print Name: Monica Hamilton
Title: Bookkeeper Date: 10/15/2014 Email: mhamilton@profsecservices.com

COA Type

Description

<u>COA Type</u>	<u>Description</u>

Attachment Check List

Att Doc Num

Name

<u>Att Doc Num</u>	<u>Name</u>
400709005	FORM 19 SUBMITTED

Total Attach: 1 Files

General Comments

User Group

Comment

Comment Date

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Environmental	Provide supplemental Form 19 by 10/25/2014 per Rule 906.	10/17/2014 3:14:20 PM

Total: 1 comment(s)





[Click here to open page in a new tab/window](#)

COGIS - Complaint Reports

Form 18/18A



Date Rec'd: 10/15/2014 **Method Received:**
DocNum: 200413934 **Routed to Agency:**
Complaint Type: **API number:** 05-075-05971

Complainant Information

Name: Mr. Russell Adele
Address: Sterling , CO 80751
Date Received: 10/15/2014
Connection to Incident: Land owner

Description of Complaint:

Operator: BENCHMARK ENERGY LLC
Oper. No. 10380
Date of Incident: 10/15/2014
Type of Facility: WELL
Well Name/No.
County Name: LOGAN
Operator contact:
 qtrqtr: NENW section: 12 township: 8N range: 54W meridian: 1

Complaint Issue

Issue: SPILLS **Assigned To:** Kym Schure **Status:** In Process
Description: Landowner Mr. Russell Adele contacted COGCC N.E. Field Office reporting a spill/release at wellhead. COGCC contacted Operator.

Other Notifications

Date: 10/15/2014 **Agency:** Benchmark Energy LLC **Contact:** Mr. Jerry Nash

Response or Details

Mr. Nash stated that he would investigate the spill immediately and shut down the well.

Date: 10/15/2014 **Agency:** Benchmark Energy LLC **Contact:** Mr. Jerry Nash

Response or Details

Mr. Nash stated that he would investigate spill immediately and shut down well.

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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Inspection Date:
10/15/2014

Document Number:
667200573

Overall Inspection:

ALLEGED VIOLATION

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>219142</u>	<u>312157</u>	<u>SCHURE, KYM</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 10380

Name of Operator: BENCHMARK ENERGY LLC

Address: PO BOX 8747

City: PRATT State: KS Zip: 67124

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Young, Rob		rob.young@state.co.us	
Quint, Craig		craig.quint@state.co.us	
Axelson, John		john.axelson@state.co.us	
Koehler, Bob		bob.koehler@state.co.us	
Burn, Diana		diana.burn@state.co.us	
Ferrell, LaDawn	(620) 672-3800	lferrell@profsecservices.com	All Inspections
Nash, Jerry	(316) 218-8184	jerry@benchmarkenergy.us	All Inspections

Compliance Summary:

QtrQtr: NENW Sec: 12 Twp: 8N Range: 54W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/07/2014	667200568	TA	TA	ACTION REQUIRED			No
08/19/2014	667200391	TA	TA	ALLEGED VIOLATION			Yes
08/12/2014	667200363	TA	TA	ACTION REQUIRED			No
08/09/2014	667200354	TA	TA	ALLEGED VIOLATION			Yes
07/23/2014	667200233	TA	TA	ALLEGED VIOLATION			Yes
08/08/2013	664001189	TA	TA	SATISFACTORY			No
07/09/2012	663300289	TA	TA	ACTION REQUIRED	I		No
06/16/2011	200312780	MI	AC	SATISFACTORY			No
05/17/2010	200250541	RT	AC	SATISFACTORY			No
08/04/2009	200215918	RT	AC	SATISFACTORY			No
04/22/2008	200130653	RT	AC	SATISFACTORY			No
06/20/2007	200115803	RT	AC	SATISFACTORY		Pass	No
06/16/2006	200091651	MI	SI	SATISFACTORY		Pass	No
06/08/2006	200091663	MI	AC	SATISFACTORY		Fail	Yes
07/05/2005	200074140	RT	SI	SATISFACTORY		Pass	No

Inspector Name: SCHURE, KYM

06/15/2004	200055909	RT		SATISFACTORY		Pass	No
04/02/2003	200037007	RT	SI	SATISFACTORY		Pass	No
07/18/2002	200028845	RT	SI	SATISFACTORY	P	Pass	No
07/26/2001	200018310	MI	SI	SATISFACTORY		Pass	No
08/04/2000	200008427	RT	SI	SATISFACTORY		Pass	No

Inspector Comment:

COGCC N.E. Field Office (Inspector Schure) received a complaint from landowner Mr. Russell Adele regarding his observation of a fluid/PW spill at well. Reference: Doc# 667200568,667200391,667200363,667200354 & 667200233 for previous Inspection Report details. Reference: (Approved) Operator Plan for Corrective Actions and Completion Dates related to citations on Benchmark Energy LLC current Violations/Action Required items. Inspector Schure contacted/notified Operator of spill/release, notified COGCC Engineering, left message for COGCC Environmental, re-contacted surface owner notifying contact with Operator.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
219142	WELL	TA	04/26/2013	ERIW	075-05971	NW GRAYLIN D-SAND UNIT 5-W	TA	<input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Motors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
Produced Water	WELLHEAD	> 5 bbls	Contact COGCC Environmental and COGCC Engineering for directives.	10/16/2014

Multiple Spills and Releases?

Fencing/:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
LOCATION				

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Other	0	SATISFACTORY			

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 219142

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/A/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/A/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 219142 Type: WELL API Number: 075-05971 Status: TA Insp. Status: TA

Complaint

Comment: Surface owner contacted COGCC N.E. Field Office requesting a formal complaint against Operator regarding spill/release at wellhead.

Underground Injection Control

UIC Violation: Operational Violation

Maximum Injection Pressure: _____

UIC Routine

Inj./Tube: Pressure or inches of Hg _____
(e.g. 30 psig or -30" Hg)

Previous Test Pressure _____

MPP _____

Inj Zone: DSND

TC: Pressure or inches of Hg _____

Previous Test Pressure _____

Last MIT: 06/16/2011

Brhd: Pressure or inches of Hg _____

Previous Test Pressure _____

AnnMTReq: _____

Comment: _____

Method of Injection: _____

Test Type: _____

Tbg psi: _____

Csg psi: _____

BH psi: _____

Insp. Status: _____

Comment: _____

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/A/V: ALLEGED

CA Date: 10/16/2014

CA: Well must be either:

- 1) Per COGCC Rule 326.b.(1) a successful mechanical integrity test shall be performed on each temporarily abandoned well within thirty (30) days of the date the well becomes incapable of production or
 - 2) Be properly plugged and abandoned.
 - 3) A sundry requesting continued temporarily abandoned status should be submitted to Bob Koehler at the COGCC within thirty (30) days of receipt of this report - the sundry should detail the plan for the future operation of the well and the way the well is closed to the atmosphere. Shut-in and temporarily abandoned wells must be properly reported on COGCC Form 7, Operator's Monthly Production Report.
- Suspected flow line failure. Spill/Release resulting from operational failure. Contact COGCC Environmental and COGCC Engineering for directives. Operator was required to provide COGCC Engineering with previous failed line component/parts for analysis and flow line integrity verification. No indication of Operator submitting failed system parts for review/analysis.

Comment: _____

Environmental

Spills/Releases:

Type of Spill: FLUID Description: System failure Estimated Spill Volume: _____

Comment: Operator has been notified by COGCC N.E. Field Office (Inspector Schure).

Corrective Action: Contact COGCC Environmental and COGCC Engineering for directives. Shut down well Date: 10/15/2014

Reportable: YES GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS: _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: Wildlife Protection Devices (fired vessels):

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? _____ CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____ CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Inspector Name: SCHURE, KYM

Access Roads Regraded _____ Contoured _____ Culverts removed _____
 Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation Well Release on Active Location Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Other						

S/A/V: SATISFACTOR Corrective Date: _____
Y _____

Comment: Implement/maintain BMP's for surface control.
CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
SEE PREVIOUS INSPECTIONS FOR CURRENT CITATIONS AND CORRECTIVE ACTIONS. Reference: Operator's Plan for Corrective Actions and Completion Dates pending approval from COGCC.	schureky	10/15/2014

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
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Inspection Date:
11/06/2014

Document Number:
667200639

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>219142</u>	<u>312157</u>	<u>SCHURE, KYM</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10380</u>
Name of Operator:	<u>BENCHMARK ENERGY LLC</u>
Address:	<u>PO BOX 8747</u>
City:	<u>PRATT</u> State: <u>KS</u> Zip: <u>67124</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Axelson, John		john.axelson@state.co.us	
Nash, Jerry	(316) 218-8184	jerry@benchmarkenergy.us	All Inspections
Burn, Diana		diana.burn@state.co.us	
Quint, Craig		craig.quint@state.co.us	

Compliance Summary:

QtrQtr: NENW Sec: 12 Twp: 8N Range: 54W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/15/2014	667200573	TA	TA	ALLEGED VIOLATION			Yes
10/07/2014	667200568	TA	TA	ACTION REQUIRED			No
08/19/2014	667200391	TA	TA	ALLEGED VIOLATION			Yes
08/12/2014	667200363	TA	TA	ACTION REQUIRED			No
08/09/2014	667200354	TA	TA	ALLEGED VIOLATION			Yes
07/23/2014	667200233	TA	TA	ALLEGED VIOLATION			Yes
08/08/2013	664001189	TA	TA	SATISFACTORY			No
07/09/2012	663300289	TA	TA	ACTION REQUIRED	I		No
06/16/2011	200312780	MI	AC	SATISFACTORY			No
05/17/2010	200250541	RT	AC	SATISFACTORY			No
08/04/2009	200215918	RT	AC	SATISFACTORY			No
04/22/2008	200130653	RT	AC	SATISFACTORY			No
06/20/2007	200115803	RT	AC	SATISFACTORY		Pass	No
06/16/2006	200091651	MI	SI	SATISFACTORY		Pass	No
06/08/2006	200091663	MI	AC	SATISFACTORY		Fail	Yes
07/05/2005	200074140	RT	SI	SATISFACTORY		Pass	No
06/15/2004	200055909	RT		SATISFACTORY		Pass	No
04/02/2003	200037007	RT	SI	SATISFACTORY		Pass	No

Inspector Name: SCHURE, KYM

07/18/2002	200028845	RT	SI	SATISFACTORY	P	Pass	No
07/26/2001	200018310	MI	SI	SATISFACTORY		Pass	No
08/04/2000	200008427	RT	SI	SATISFACTORY		Pass	No

Inspector Comment:

Follow-up inspection. Land-owner complaint 10-15-2014. Operator corrective action dates have expired. Operator required to submit analysis of flow line integrity and failed parts to COGCC Engineering to assess flow line integrity. Operator is required to update well status on COGCC database. Operator is required to contact COGCC Environmental for directives on vegetation kill resulting from numerous releases.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
219142	WELL	TA	04/26/2013	ERIW	075-05971	NW GRAYLIN D-SAND UNIT 5-W	TA	<input checked="" type="checkbox"/>
438746	SPILL OR RELEASE	AC	09/04/2014		-	SPILL/RELEASE POINT	AC	<input type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____ Drilling Pits: _____ Wells: _____ Production Pits: _____
 Condensate Tanks: _____ Water Tanks: _____ Separators: _____ Electric Motors: _____
 Gas or Diesel Mortors: _____ Cavity Pumps: _____ LACT Unit: _____ Pump Jacks: _____
 Electric Generators: _____ Gas Pipeline: _____ Oil Pipeline: _____ Water Pipeline: _____
 Gas Compressors: _____ VOC Combustor: _____ Oil Tanks: _____ Dehydrator Units: _____
 Multi-Well Pits: _____ Pigging Station: _____ Flare: _____ Fuel Tanks: _____

Location

Lease Road:

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY	No lease road. Mowed path across pasure		

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	ACTION REQUIRED	Surface disruption from recent excavation/repairs	Grade and backfill area around wellhead	11/05/2014

Spills:

Type	Area	Volume	Corrective action	CA Date
Produced Water	WELLHEAD	> 5 bbls	Vegetation kill resulting from recent/historical P/W releases remains non-compliant.	11/05/2014

Multiple Spills and Releases?

Fencing/:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	Steel Pipe		

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Deadman # & Marked	2	ACTION REQUIRED	(2) unmarked deadman	Mark all deadman with 4' tall, highly visible markers.	11/05/2014
Other	0	ACTION REQUIRED		Submit analysis of flow line failure and failed parts to COGCC Engineering	11/05/2014

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 219142

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 219142 Type: WELL API Number: 075-05971 Status: TA Insp. Status: TA

Underground Injection Control

UIC Violation: _____ Maximum Injection Pressure: _____

UIC Routine

Inj./Tube: Pressure or inches of Hg _____ Previous Test Pressure _____ MPP _____
 (e.g. 30 psig or -30" Hg) _____ Inj Zone: DSND

TC: Pressure or inches of Hg _____ Previous Test Pressure _____ Last MIT: 06/16/2011

Brhd: Pressure or inches of Hg _____ Previous Test Pressure _____ AnnMTReq: _____

Comment: Contact: Diana Burn for directives.

Method of Injection: _____

Test Type: _____ Tbg psi: _____ Csg psi: _____ BH psi: _____

Insp. Status: _____

Comment: _____

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/A/V: ACTION CA Date: 11/05/2014

CA: Well is incorrectly listed at TA. See full report for details.

Comment: _____

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____ Date: _____

Reportable: _____ GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS: _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Complaint:

Tracking Num	Category	Assigned To	Description	Incident Date
200413934	SPILLS	Schure, Kym	Landowner Mr. Russell Adele contacted COGCC N.E. Field Office reporting a spill/release at wellhead. COGCC contacted Operator.	10/15/2014

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

- 1003a. Debris removed? _____ CM _____
CA _____ CA Date _____
- Waste Material Onsite? _____ CM _____
CA _____ CA Date _____
- Unused or unneeded equipment onsite? _____ CM _____
CA _____ CA Date _____
- Pit, cellars, rat holes and other bores closed? _____ CM _____
CA _____ CA Date _____
- Guy line anchors removed? _____ CM _____
CA _____ CA Date _____
- Guy line anchors marked? _____ CM _____
CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location Multi-Well Location

Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Other	Fail					

S/A/V: **ACTION REQUIRED** Corrective Date: **11/05/2014**

Comment: **Implement Stormwater control BMP's. Current surface runoff travels down grade following the path of current and historical P/W spills, erosion scouring the affected area surface exhibiting a vegetation kill.**

CA: **Implement stormwater control BMP's. Remediate affected soils, reclaim area outside of wellhead Contact COGCC Environmental**

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
667200683	Excavation sink hole @ wellhead. Repairs from release.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3507544
667200688	Unmarked deadman	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3507546
667200689	Unmarked deadman	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3507548

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)



11.06.2014

Exhibit 24-A